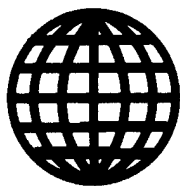


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Low Literacy Level Reported in Islamic World

92AE0145A London AL-SHARQ AL-AWSAT in Arabic
23 Dec 91 p 16

[Article: "High Illiteracy Rate Forms Obstacle to Progress of Education Among Muslims"]

[Text] Rabat, AL-SHARQ AL-AWSAT Bureau—An educational report has revealed that educational and instructional conditions in the Islamic countries are witnessing real difficulty in their development. Official statistics from the Islamic countries and UNESCO confirm that a high illiteracy rate still forms an obstacle to the progress of education and instruction among Muslims.

The fact that integrated Islamic curricula are not being employed and that heterogeneous, bifurcated curricula continue to be used, compounds the educational and cultural problems in Islamic societies. The ISESCO [Islamic Educational, Scientific, and Cultural Organization] report states that the problems are growing worse, despite the clarity of the Islamic method.

The report points out that Islam encourages learning. The first verse of the Koran stipulates a command to read, indicating that reading is a tool for acquiring knowledge: "Read in the name of your Lord who created, created man from an embryo. Read, for your Lord is most beneficent, who taught by the pen, taught man what he did not know" [96:1-5]. This interest in knowledge and education appears in many verses. It is affirmed particularly in the story of man's creation and his being made superior to all creatures in knowledge. Also, when God's benefits to man are mentioned, knowledge and education stand out as God's first gifts to man directly after bringing him into existence: "The All-merciful has taught the Koran, has created man, and has taught him speech and intelligence" [Koran 55:1-4]. The Prophet Muhammad (may God bless him and grant him peace) embodies these ideas in his conduct and elucidates them in his sayings. One need only point out that he made educating the Muslims one of the ways of ransoming the captives taken at the Battle of Badr. Furthermore, a prophetic tradition explicitly emphasizes the obligation to acquire knowledge: "Seeking knowledge is the duty of every Muslim man and woman." By the rules of Arabic grammar, this applies to all males and females, especially since the tradition uses the word *kull* [each, every, all], which implies full inclusion of all individuals.

Thus, the value of education became established in Islamic thought. The history of Islamic peoples during their golden ages witnessed interest in knowledge, education, and instruction in response to religious precepts, individual incentives, and government support and encouragement.

Afterward, the Islamic countries passed through ages of weakness that turned most of them into colonies. They endured the severest kinds of backwardness, as well as

political, economic, and cultural collapse. Naturally, this situation negatively affected their educational systems and the educational level of their people.

It is reported that, in the last two decades, interest has begun to increase within the Islamic countries as a group, as in all countries of the world, in education generally, and specifically in eradicating illiteracy and in basic education. However, many of these efforts have not accomplished their goals. One reason may be the lack of sufficient resources in these countries to deal with contending priorities in the economic, social, and cultural fields. This is especially true in the wake of the worsening international economic crisis that has aggravated the burden that these countries continue to bear, due to the decline in the volume and value of their trade. This decline has entailed increased reliance on indebtedness, at a time when the burdens of debt and debt servicing are rising.

Current Educational Conditions in Islamic Countries

The report records that illiteracy rates in the Islamic countries are the highest, when compared with various regions of the world. The rate is approximately 51 percent of all age groups 15 years old or above. Among males the rate is 40 percent, while among females it rises to about 61 percent. Although these rates exceed global averages by a factor of two, what is really shocking is that the illiteracy rate in some Islamic countries exceeds 85 percent and that female illiteracy in some of these countries exceeds 90 percent. The enormity of the problem becomes clear when we realize that the total number of adult illiterates in 36 Islamic countries in 1990 was 260,988,000, according to UNESCO.

The report shows wide differences in illiteracy rates among the Islamic countries. The rates range from 10.7 percent to 88.4 percent overall, from 9.8 percent to 81.6 percent among males, and from 12.5 percent to 93.9 percent among females. The Islamic countries that have successfully curbed illiteracy either are wealthy countries or have a limited population.

Although the numbers of pupils registered in primary education in the countries of the Islamic world generally have grown greatly in recent years, enrollment rates in this basic level of regular education in these countries, as a group, remain the lowest of the various regions of the world. Whereas the 1988 world average for children between 6 and 11 years old enrolled in primary schools was 76.8 percent, the average enrollment in 45 percent of the Islamic countries remains below this rate. Even worse, in 25 percent of the Islamic countries, fewer than 50 percent of children between 6 and 11 years of age are enrolled in elementary education—absolutely the lowest enrollment rate in the entire world. This means that more than half the school-age children in these countries remain outside the schools and will add to the tremendous pool of illiterates. The enormity of the problem can be seen in the fact that 46,070,570 children between 6 and 11 years old were not in school in 34

Islamic countries in 1990. This is nearly half the number of children not in school in the entire world—around 100 million.

Recent years have undoubtedly seen a continuous increase in girls' primary school enrollment. The increase in these rates has been more than twice the increase of male enrollment rates in the great majority of Islamic countries. Nevertheless, girls' enrollments remain lower than boys' enrollments in just about all Islamic countries. At the same time, comparison with the world average reveals that girls' enrollment rates in the Islamic countries are low. On the global level, the rate is 71.3 percent; in 16 Islamic countries it has not reached 50 percent. Indeed, in some Islamic countries it has not reached 20 percent of all girls of elementary school age.

Related to this is the low percentage of women in elementary school faculties—about 37 percent in the Islamic countries, whereas it exceeds 53 percent in the world average. In 10 of the Islamic countries, the percentage of women in elementary school faculties is less than 30 percent. Increasing the proportion of women in the teaching staff is important, because it tends to raise the number of girls enrolled in education, given the social attitudes of certain areas, especially rural or Bedouin ones, in the Islamic countries.

The student-to-teacher ratio in elementary schools in the Islamic countries is still very high in comparison with various regions of the world. There are an average of 33 students per teacher, compared to a global average of approximately 27 students per teacher. In some Islamic countries, each teacher's quota of students reaches critical levels. In some of these countries the average is more than 45 students per teacher. The situation indicates a severe shortage of teachers and has a negative effect on the efficiency of teaching personnel. Furthermore, teachers are usually inadequately prepared for the leadership and teaching demands required for work in elementary schools in the modern age.

Elementary schools in most Islamic countries suffer from high failure and dropout rates. A telling indicator in this area is the average failure rate of 15 percent—in five Islamic countries it was over 25 percent. There are correspondingly high dropout rates. This indicates the low internal efficiency of the educational system and leads to high educational costs and an increased illiteracy pool.

Elementary education in most Islamic countries is marked by concentration on theoretical academic education, with no interest in linking education and work. The relation between education and society is weak, especially at the level of local communities, despite the necessity of such a link at this level of education. Perhaps the most conspicuous indication of this is the use of an educational scheme with a single curriculum and school

system for an entire country as a whole, without regard to the demands of differing environments. This particular tendency is considered to be one of the most important factors in the flight of educated people from rural areas, because an unsuitable education creates in them a feeling of alienation from their original environments.

Given the extreme importance of early childhood care for preschool children, particularly when many families are steadily retreating from their role in this area; given also the increasing worldwide interest in the pre-elementary school stage, one notes that a large number of Islamic countries do not give this area sufficient attention. In some of them, there are no educational institutions at all to care for children of this age, except within the framework of Koranic schools that often accept children at age five. However, these schools, with their special nature, do not attend to all the needs of children. They usually restrict themselves to teaching them parts of the Koran by heart.

Despite the great need to support and encourage all types of education, other than the regular system, especially at basic education levels, one notes that most Islamic countries limit their attention to school education in the form whose many inadequacies we have already reviewed, and to faltering efforts to combat illiteracy. In the great majority of these countries, these efforts are marked by the use of traditional methods, despite the pressing need for a kind of functional education that embodies the real requirements of basic education.

One characteristic of almost all Islamic countries is the bifurcation of education, especially at its primary level. There are two types of education. One is traditional or indigenous education—the religious education given by Koranic schools. These are called by a variety of names: *kuttab*, *mahdar*, *zawiyah*, or *khalwah*. Second, there is modern education—the civil education offered by elementary schools. The problem is that traditional education, with all the attraction it holds for broad sectors of Islamic societies, all that it has contributed and is contributing in the areas of instruction and acculturation, and all its positive advantages that we will review in a subsequent installment, is beset with many difficulties. The most important of these are:

- It usually does not have open channels to the regular educational system.
- Sometimes it is not extended education and does not lead to enrollment in higher stages.
- Although it prepares for a position in society, it is not connected to the system of government jobs and employment.
- It usually is limited to religious and Arabic language studies, sometimes only to memorizing the Koran.
- It has been following the same teaching methods for centuries, without benefiting from modern progress in pedagogy.

PALESTINIAN AFFAIRS

Cross-Section of West Bankers on Peace Process

92AE0132A Jerusalem AL-BAYADIR AL-SIYASI
in Arabic 30 Nov 91 pp 23-28

[Article by Khalid 'Ammar and Khallud Najm: "Ordinary Palestinians' Opinions, Impressions on Peace Process; Peace in Palestinian Eyes Between Apprehension, Optimism; Ambiguity Continues To Be Title of Next Phase; Umm-Nidal Abu-'Akkar: 'Why Optimism? Peace Will Not Be Accomplished While Settlements Continue'; 'Abd-al-Majid Abu-Hajjah: 'Difference of Opinion Among Ordinary Palestinians Is Healthy Phenomenon'; Fayizah Ba'arah, Nabulus: 'Conference Is Like Every Conference Held in Past, Therefore, It Is Failure'; Ibrahim Salim: 'Veto Against Palestinian State Is Behind Israel's Participation in Conference'; Student Maha [Hajmir]: 'Olive Branches Reflect Awaited Joy'; Sami al-'Adawi: 'Conference Is Concoction Cooked up by Israel, United States, Palestinian Delegation'; As'ad al-Basha: 'It Is All the Same Whether We Talk or Not'; Mother of Martyrs Samir and Nidal al-Hammuri: 'They Don't Want To Hear Ordinary Palestinian, Palestinian Delegation Represents Itself Only']]

[Text] Peace is what the Palestinian people hope for and await from the regional peace conference, and particularly from the United States, the "matriarch of international legitimacy and the new world order."

The Palestinian people have been subjected to numerous setbacks, shocks, and tragedies that have left them with nothing but defeat and pain, and that have implanted in their hearts mistrust in so-called "international legitimacy" and in the United States in particular. This is what has motivated children, let alone men, not to be too optimistic about what the United States is doing through the peace process.

The Palestinian people yearn for peace, are even enamored with it. But supporter and opponent disagree on the means and method for accomplishing peace. Ultimately, however, all work for the same objective, namely peace.

Two weeks ago, the curtain was drawn on the first round of the peace conference. The Palestinian delegation was able to score a major propaganda victory, which has contributed to bringing the Palestinian issue out of the international isolation imposed on it by Gulf war circumstances. While standing at the threshold of the next, more important phase, we have had to listen to the opinions and impressions among ordinary Palestinians in order to assess and examine the steps and to light the path for the caravan so that it can reach the desired goal confidently and safely.

AL-BAYADIR AL-SIYASI has toured numerous towns, villages, and camps, and has interviewed various segments of our people in various locations, out of its belief

that the local media must play an important role in this current and important phase of our people's great history.

'Abd-al-Majid Abu-Hajjah, Bethlehem University
Student Council Chairman

There is no doubt that the nature of the current phase and the international parties—the United States, the vanguard of the new world order; and the Arab parties—have pressured the PLO not to stand alone and forgotten in the arena, and they have stressed the need for the Palestinian delegation to figure prominently in the conference by reaffirming the desired national rights. There were two options: participate or do not participate in the conference. Each option has its pros and cons. In the case of non-participation, the PLO and the Palestinian masses will be held responsible for the failure of the peace initiative. Moreover, there are urgent issues that have to be raised: Soviet immigration to the Israeli entity, the settlements, and the need to clarify the Palestinian position on the peace process. Therefore, a positive element has been embodied in foiling the endeavors to surpass the PLO and the Palestinian position. The Palestinian delegation's address, delivered by Dr. Haydar 'Abd-al-Shafi, has been tantamount to a proclamation of the Palestinian constants. Without accomplishing these constants on the basis of international legitimacy, which the world, but not Israel, understands—which must be the same for everybody in the world, and which must be applied to the Palestinian issue as it was applied in the Gulf war; without this, no solution can be acceptable.

A difference of opinion among ordinary Palestinians is a healthy phenomenon which exists among all peoples of the world. I believe that this is positive, regardless of whether it exists among the opposition or among the supporters. It all flows into the crucible of preserving the Palestinian constants and national unity.

Diplomatically, it is inevitable but to engage in negotiations in the process of struggle, regardless of what means are adopted in the struggle. Negotiations are a means of struggle. We must use the Israeli or U.S. position as a criterion, or as a basis, for our movement, because it would be deficient for our masses and leaders not to do so. As there is a U.S. position and an Israeli position, there has to be a Palestinian position. A question arises here: Will the Palestinian position follow the U.S. and Israeli position or dwindle away in it? I am confident that the Palestinian position will be presented with high capability, contrary to what the United States and Israel believe. The U.S. position is somewhat different from the Israeli position, but ultimately, the U.S. position moves in the interest of the Israeli position, even though the current phase confirms that the U.S. and the world's strategic view of Israel has changed, especially since the collapse of the socialist bloc, which had threatened to make the Arab region a dangerous region. The Gulf crisis has also proven that Israel no longer plays the main role in protecting U.S. interests in the region.

There is no doubt that negotiations in the next phase will be difficult and will be tantamount to a painful labor for our Palestinian people. But as Palestinian people, we attach no hopes to these negotiations "unless Israel withdraws and puts an end to the settlements." These are our constant demands and rights, and they must be presented strongly and legally. Israel doesn't deal within the bounds of the law, whether in terms of the occupation, of the settlements, or of the acts perpetrated in the Palestinian arena. We are not raising hopes and we cannot bargain with or capitulate to the Israeli or U.S. position, because there is a conviction that no solution incompatible with legitimate rights can be imposed on the Palestinian people. Politically, I believe that we are stronger today than we were in the past.

Camp David was a phase of Palestinian pain. However, the Palestinian revolution and masses were able to foil this plot, the post-Beirut plots, and other plots. We are fully convinced that what the U.S. and Israeli mentality is thinking of is "capitulation." We have great confidence in the PLO and in its march of struggle. I have said from the outset that, as a Palestinian, I deal with the PLO position, even if there are other positions which can be listed as the positions of a certain faction and on which there is no national consensus. These positions should earn a democratic, national majority.

As for the political committees, I have no precise information on their makeup, objectives, significance, or role. They come under numerous names and I doubt that they know what their tasks are. Who has proclaimed these committees and who is responsible for them? Neither the PLO—the leadership—or the faction itself [not specified] has proclaimed these committees. This is what has been said by Faysal al-Husayni, a national Palestinian figure whose role comes via his leadership of the Palestinian delegation participating in the conference. He has had his reservations on the formation of these committees, which must at least reflect a minimal national image. Therefore, an official position must be taken by the top PLO organizations, by the faction itself, or even by the districts. Even though I am not certain what these committees' tasks are, they include personalities that do not befit any political committee. Our national figures must not be swayed by these committees, so that a national position can be developed to preserve the smallest possibilities of safeguarding our Palestinian people's unity.

**Ibrahim Salim, Secretary of Bethlehem University
Student Council's Cultural Club**

I oppose the conference. The resolutions of the latest PNC [Palestine National Council] agree to the establishment of peace within conditions embodied in halting the settlement activity before the conference is started, in PLO participation on an equal footing with the other parties, and in raising the Jerusalem issue at the conference.

We find that we have failed to emphasize the Palestinian constants. In his address, Dr. Haydar 'Abd-al-Shafi went beyond the legitimate Palestinian resolutions and ignored the Jerusalem issue. The proof is Shamir's insistence and his threat to withdraw from the conference if the Jerusalem issue is put on the negotiation table. Moreover, there has been no clear reference to repatriation, to self-determination, or to the independent state. 'Abd-al-Shafi's address raised the transitional phase issue according to Israel's concept, i.e., the concept of self-rule for individuals. Consequently, we relinquished our rights even before the negotiations started!

We have been aware of the nature of the conference from the outset. There have been fundamental international developments and we have had the Gulf crisis. However, I do not believe that these circumstances are more important than the intrinsic Palestinian element. Every Palestinian loves peace. The disagreement is over the question of how we can get this peace. Where is our emphasis on the Palestinian intifadah, which came into existence to elevate the national framework?

There are demands to put pressure on the Palestinians to halt the intifadah in return for a halt on the settlement activity. This takes me back to the fundamental point, namely: How can we cling to our constants vis-a-vis Israel's clinging to "its constants?" We have seen Shamir declare the inauguration of a new settlement immediately upon his return from the peace conference! Moreover, Israel didn't go to the conference until the conditions it had presented to the United States were met, embodied in a veto against an independent Palestinian state and against the PLO, the legitimate representative. Moreover, the United States itself has declared that it will not resume the coordination with the PLO, as we had hoped it would. Consequently, they have created an alternative leadership on the ground, and in the eyes of the world, through the joint Jordanian-Palestinian delegation.

Israel continues to be the United States' distinguished ally in the region. The proof is that the United States has arranged the area's affairs according to Israel's, not the world's, wishes. Bush has backed down on last March's initiative, which relied on UN Resolutions 242 and 338. In his latest address, Bush spoke of a regional compromise that does not achieve the minimum aspirations of our Palestinian people. This is why I believe that the conference is a liquidationist conference, not a peace conference.

Student 'Abd-al-Nasir Hamdan, Bethlehem University

The conference is good and it has accomplished some aspirations. Through it, the Palestinian issue has been presented to all peoples of the world. I am optimistic about the outcome, and I believe that self-rule will be a transitional phase. As for the guarantees, they consist of the promises by the United States to its people. The

Palestinian delegation represents all the people. The political committees are excellent, and they enjoy the masses' trust.

Ahmad Khalil, an Old Man From al-Duhayshah Camp

We will not just believe that there is peace. We must see something tangible. The people want peace, and the conference is good because the world has seen our problems, concerns, and cause. This is a gain for all of us. The Palestinian delegation is good, and it represents us. Self-rule is a waste of time. As for the political committees, this is not the time for them."

Another Old Man From al-Duhayshah

Nobody hates peace. We want those who work for peace, not on just one side, but on both the Israeli and Palestinian sides. We have asked them frequently to halt the settlements, but they do not agree.

We agree to the conference as long as it establishes peace. We want land, like all people. We are optimistic. Our hearts are with the conference until we achieve peace. Israel has reached this level only with U.S. and European support. These countries want to establish peace, and I believe that they are serious in what they have said. The delegation is better aware that self-rule is a transitional phase. We demand Israel's withdrawal from the occupied territories and a just peace."

With Martyrs' Relatives

As part of the painful memories accumulated over time, lovers of the land cast glances at the pictures crowding the wall in a room overflowing with grief and with a gloomy view of the future.

This mother doesn't hear her grandchildren's questions about their father who has departed. One can only see his picture, which will remain forever. "We have ended and we are finished." These are the words with which we began when we met the mother at her home in the neighborhood of Wadi al-Jawz.

The mother of martyr Ibrahim Ghurab went on to add: "We have had enough words. Only God knows what will happen."

Her tears interrupt her words: "Life is bitter. It is like tar. We have seen woes, but we see nothing about peace. Our young men have been claimed as victims. There are more than 20 orphans in this home. What more do you want me to say?"

Nayif, martyr Ibrahim's brother, picks up the conversation to add: "The conference has made progress. I hope that peace will be established for all within the framework of an identity, a state, and territory."

Nayif, a young man, added that the people are perplexed, because they are back to where they started, due to the absence of an alternative as a result of the treason of some Arab states. "Thus, we have ended up between the

hammer and the anvil [a rock and a hard place]. If the conference fails and if we feel that it has been a snare and an act of treachery, we will not accept its outcome. The martyrs' blood will not be wasted. However, if the Palestinian delegation accomplishes our demands, then why shouldn't we accept the conference?"

We then went to martyr Ayman al-Shami's home in the same neighborhood. His father asserted that all that is going on is nothing but false promises and that peace will not be established "until I see [UN] emergency forces right in front of my house." He wondered: "How could there be peace when settlements continue to surround us from all sides?" He added: "We want a homeland, nothing more and nothing less."

At the home of martyrs Samir and Nidal al-Hammuri, the conversation emphasized rejection of the peace conference. The mother of the two martyrs, whose picture is never absent from their mother's eyes, stressed that all that is going on is in Israel's interest.

She added: "We did not make sacrifices in order to make personal gains or attain personal position." She cited the Koranic verse "think not of those who are slain in God's way as dead. Nay, they live, finding their sustenance in the presence of their Lord" [Koran 3:169]. She went on to add: "We are not pleased with the policy embraced by Israel or by the PLO. The Palestinian delegation does not represent us as a people. It only represents itself."

She noted the excessive optimism among the people and wondered about it, saying: "We are still in the same condition, and we have not gained any rights."

With a teary eye, she said: "The conference is nothing but a parade of words. Peace will not be established as we hope it will be."

The father of the two martyrs picked up the conversation to add: "This condition takes us back to the past. We have moved 40 years back.

"We have sacrificed for a goal and we want nothing other than this goal. As for the committees, I believe that they work for personal ends only."

The mother interrupted, saying: "They don't want to hear the ordinary Palestinians. Our people are not aware of what is going on."

Dissatisfaction was also the title of the words of the mother of martyr Nidal Abu-'Akkar from al-Duhayshah Camp. Umm-Nidal [Nidal's mother] said: "Peace will not be accomplished as long as the settlement activity continues. So why the optimism when we have not gained anything yet? The delegation has participated in the conference because it was invited and because it had to go.

"I demand a real solution and a Palestinian state that ensures our rights and our freedom. Self-rule is tantamount to an Israeli-U.S. ploy. Most people oppose the conference. They want to trick us. Why did they impose

a curfew on the camp when the conference started?" At this point, the brother of martyr Abu-'Akkar interrupted to say: "The intifadah was created because the Palestinian people want peace."

He added: "The conference circumstances and our view of the conference within the context of the new world order, which is led by the United States, is that it is undoubtedly a U.S. conference. The United States is interested in establishing its influence in the region by settling its conflicts, especially the Palestinian issue. As for the link between the conference and the Gulf crisis, the conference has been convened to entrench the Palestinian people's frustration and to prolong the life of the regimes that supported the United States in the Gulf war."

The brother further added: "The PNC adopted clear resolutions of not relinquishing the Palestinian constants as a basis for participation in the conference. But these constants were excluded through the makeup of the participating delegation and through the Jerusalem and settlements issues [which were not included in the conference agenda].

"As for the Palestinian delegation, I would not include some of its members in mere committees, let alone a delegation representing the Palestinian people in their entirety! The people are frustrated and they need to change their condition. The reason we have reached this condition is our strategy of action, for which our leadership is primarily responsible. This leadership has charged our people with the hope of establishing a state in the near future and with excessive optimism, when we have not seen any noteworthy accomplishment.

"There is no doubt that there are numerous reservations among ordinary Palestinians about the political committees. Many of these committees' members are not eligible for this membership, keeping in mind that the names that have been projected do not represent all of our people's segments and factions, and do not serve the people's interest. This gives Israel the opportunity to exploit this point to accomplish what it wants.

"Basically, the peaceful liquidationist march seeks to solve the problem experienced by Israel, which is suffering from a serious economic depression as a result of reliance on the United States, and to diminish the strength of the Arab countries."

Student Maha Hajmir From Bethlehem University

The conference is a good initiative that has clarified our viewpoint to the countries of the world. This has contributed to enhancing their opinion of the Palestinian people. I am certain that peace will not be accomplished as quickly as some people expect. Israel has taken a position that it will not change. It has been compelled to participate.

The Palestinian delegation was not selected indiscriminately, and it has succeeded in reflecting the viewpoint of

the people in their entirety by conveying their hardship. The olive branches express the joy we await. But I am apprehensive about our optimism, especially since Israel hasn't yet recognized us. All that we are demanding is to be recognized as a people and as an independent state that provides security and freedom. We hope that the conference will not disappoint us.

Mother of Samir al-'Adawi, From al-Am'ari Camp

"What can we demand when the army is surrounding us day and night? Our children are jailed. Samir, my son, has been sentenced to four life terms. We have been beaten and humiliated in the streets. What more do you want?" It is with these words that Umm-Samir from al-Am'ari Camp started her conversation with us. Regarding the current peace process, she said: "If the conference harbors good for us, then why not? We want to know where we stand. For 44 years, we have not been able to tell what our condition will be. Our country has been lost. We want our rights, not self-rule. We are Palestinians, regardless of whether anybody likes it or not. Even if it takes our last breath, we cannot sacrifice our rights. Samir, my son, was jailed at 19. God willing, our right will become evident and we will live securely, peacefully, and without worries."

Sami, who was listening to his parents' words, stressed that there is a peaceful solution, but not the solution that the people want.

He said: "We demand a sovereign state. We accept self-rule as a transitional phase. But the period they have set for this phase—five years—is too long.

"As for the Palestinian delegation, I am fully confident that it will not surpass the PLO. This delegation is fully aware of our problems as a people and of the solutions that we aspire to."

Sami added that everything had been arranged prior to the conference, characterizing the whole thing as a "concoction" cooked up by the United States, Israel, and the Palestinian delegation. He then expressed his optimism over the accomplishment made with Israel's participation in the conference and with the acknowledgment of our rights.

Mother of Nasir Shahin, al-Am'ari Camp

We don't want problems, and I ask for compassion and peace. We want to live free in our state. We are pleased with the delegation as long as it does well. I don't know whether self-rule or independence is better. Three-quarters of the Palestinian people live in camps. It is an injustice that only one [delegate] represents us.

Dalal Shahin, al-Am'ari Camp

Dalal sees a gloomy picture of the current phase of the peace process. Regarding this point, she said: "Peace is a difficult step because of Israel's intransigence and of the hatred the people harbor as a consequence of their

[Israelis'] humiliating measures. There is no doubt that this step has convinced public opinion that we want peace.

"The Palestinian delegation members have their educational status. They are prominent notables who have their personal influence. But when selecting the members, those who have sacrificed and have suffered on the hands of the occupation were excluded.

"Self-rule can be a step but not an objective. We reject guardianship and we want land within the framework of a just and comprehensive peace."

Regarding the political committees, Dalal said that their members do not come from the toiling class, which has sacrificed and suffered and that they are figures with specific partisan influence. They are just projected names, nothing more and nothing less!

Muhammad, a child from al-Am'ari Camp whose face shows the signs of early manhood mixed with an innocent childhood awaiting a hopeful future, has said: "I want peace so the Jews will get off our backs! We will agree to peace if they remove the settlements."

In Bayta Nablus, We Interviewed the Brother of Martyr Hatim Fayiz

He said: "We hope that the peace process will achieve true peace, not capitulation. If the conference is a step toward achieving a just and honorable peace, then we support it. But if it is just ink on paper to implement a self-rule that is incompatible with our hopes and aspirations, then I reject this.

"We want an independent and sovereign state that secures our children's future. But so far, I have seen no clear signs in this direction, as a result of Israel's intransigence and rejection. We hope that the United States will deal with this condition as it did in the Gulf war."

Mother of Martyr From Balatah Camp

"O God, o generous God, let there be peace." This was a sincere imploration from a martyr's mother who added: "If my son has been martyred, should all young men be martyred? Let people live securely. To God, peace is not inaccessible. When will they release us from the occupation so that we can live well? We demand nothing other than our rights."

Intisar, Sister of Martyr al-Maghribi and Student at al-Najah University

"We hope that the conference will accomplish true and lasting peace, and that it will not be just words. This is why we need proofs, such as the release of detainees. Israel must make a contribution with some actual steps toward peace in the manner that we, as a people and as a state, want within the framework of international legitimacy." She added: "I support the Palestinian position on participating in the conference because it represents the Palestinian people and because it can make

known our hardship through this opportunity, even if the conference doesn't accomplish this objective."

Khalil al-Riyahi From al-Najah University

Israel's defiance was made obvious with the announcement of a new settlement as soon as Shamir returned from Madrid. This is the biggest proof that it is impossible to achieve peace. As for the Palestinian delegation's participation, it has been futile. Consequently, I am not optimistic over what is going on in the conference, because the conference will reaffirm Israel's demands, nothing more.

Khallud 'Assaf From 'Arrabah, Student at al-Najah University

We cannot separate the general political conditions from our real situation, especially since we have been influenced by, and have not influenced, the world for a long time. Therefore, we will not be able to do what we believe unless we determine our future, mobilize our people's strength, and unite the Palestinians, even if on the basis of a phased solution.

The Palestinian resistance has emanated from patriotic convictions that do not differ from those of the parties that support the peace process. Therefore, the two sides share a common goal, though the means may differ, out of concern for the Palestinian cause and for the Palestinian people's interest. If we fail in the conference, we will not consider this the end of our march. We will start anew, especially since convictions change. Here we are, accepting today what we rejected years ago. This could be the result of our correct, clear current understanding of international policy, as compared with our past understanding, keeping in mind that self-rule is not our aspiration. However, we could consider self-rule as a transitional step that comes under the heading of salvaging what can be salvaged, [emulating] in this regard the forces on which we depended in the past and which have come to an end, such as Iraq, the socialist bloc, and the Islamic states.

I would like to point out here that the internal problems of our united Palestinian people reflect a phase of collapse that is moving toward the abyss. Therefore, we must move within the framework of the international legitimacy.

Husayn Shahin, Bethlehem University Student

"Everybody wants peace. But what peace? Is it a peace imposed on us as a people, or a just peace that meets our people's aspirations and that ensures establishing the Palestinian state within the [context of] international legitimacy on the territories occupied in 1967? We only want application of the Palestinian constants as legitimate rights for our people—constants approved by the PNC's 20th session. But regrettably, the PLO has relinquished this slogan! If our people knew what is going on around them, the rejection would be greater and more comprehensive. For example, we called al-Sadat a traitor

because he betrayed our people. But he served his people and did not betray them. As for the delegation that has not dared speak in the name of the PLO, the legitimate representative, it is not qualified to represent us. We notice the difference between the address delivered by Shamir, which reflected his people's hardship in Europe, and the address delivered by the Palestinian delegation, which did not truly and clearly touch on the massacres perpetrated against our people or on their hardship. Because the delegation cannot swerve from the PLO's framework, I hold the PLO responsible for having selected a delegation that is not aware of the hardship we experience under the occupation. The revolution is like a tree, and those who did not take part in planting it are now harvesting its fruits."

In the alleys of al-Duhayshah Camp, a group of old men, whose faces reflect the pain and the hardship experienced by the Palestinian cause throughout the years, were engaged in a conversation, [and they said:] "We are not optimistic because they say that self-rule will be over people but not the land. We urge the delegation to achieve sovereign and independent control over the land, the right of repatriation for those who wish to return, and an end to the settlement activity, because without this, it is all a falsehood. This is not the time for the political committees!"

"They have applied legitimacy to Iraq. Why don't they apply it to Israel? Why don't they impose on Israel a blockade similar to their blockade on Iraq? All that is going on is a ploy. Israel must declare its acceptance of Resolution 242 so that we can be reassured! The United States has not participated as an influential member. This is an indication of ill will and of beating around the bush in order to trick the Arabs."

Kamal al-Jurmi, Balatah Camp

"We want a comprehensive peace, not self-rule. If we wanted self-rule, then why didn't we accept it in the past? Or is it that we have just started understanding politics?"

"We want a conference with full powers and a conference that grants the Palestinian people's full rights. Self-rule is totally rejected, because Israel could implement it in the next five years and then it could exploit the situation to serve its interest by appointing people that it wants and controls."

"The Madrid Conference will produce nothing other than some propaganda, and it will not bring us a state, because this is in conflict with the interest of all the parties."

"Regarding the Palestinian delegation, I am not pleased with it because it is our right as a people to select our representatives."

An old man sat on the doorstep of a house in Balatah Camp, leaning on a walking stick to support the weight

of his concerns and his weariness, mixed with hope and despair. We approached him and found out that he is As'ad al-Basha. [He said]:

"It is the same whether we talk or not. We are old and we want peace." With a deep sigh, he added: "God willing, peace will be achieved."

Umm-Khadr, an old woman sitting next to al-Basha, said: "I pray for them all the time. May God grant them success and may there be peace and commonweal. God keep them safe and give them happiness."

Student George Rashmawi, Bethlehem University Student Council Secretary

"Our people have aspired for an independent state for quite some time. Under no circumstance can they relinquish this objective. This is why we support any projection that can lead us to the state and to the right to self-determination and repatriation."

"I think that participation by the Palestinian delegation has been intended to break the international isolation imposed on our people. The address delivered by the delegation represented our people's aspirations and reflected our hardship, keeping in mind that this participation emanated from a majority resolution which was adopted by the PNC's 20th session and which calls for nothing less."

During a tour in Bayt Sahur, we encountered the mother of martyr Iyad Abu-Sa'da [who said]:

"We want to live freely on our land and in our state. Israel continues to cling intransigently to its position. Therefore, I am not optimistic."

"As for the delegation, it has opened the door, so the world can see our people's tragedy. God willing, this will be a good step to acquaint the entire world with the Palestinians. Self-rule is rejected because it will not accomplish what we want. This is what Israel wants and plans."

Muhammad Abu-Hasan From Battir, Assistant School Principal in al-Duhayshah

"It is a slogan written by ignorant children. Where is liberation, oh liberation organization? Assuming, for the sake of argument, that they will liberate the West Bank and that Jerusalem will be its capital, then where are the Palestinian people's other rights? I address this question to every member of the negotiating delegation. I do not ask the question because I am a refugee, but because I have been teaching at a refugee school for 35 years."

"The delegation is irreproachable, but the rigid and intransigent Israeli side will give us nothing. Therefore, we are supposed to refuse to participate in the conference."

"They tell us now: 'Accept the fait accompli because the United States is strong.'"

"If true Arab unity is not the alternative, then we must accomplish national unity. Let us disagree, but let us not kill each other. Some of us are going through a decisive phase and we must be careful not to become fragmented. Regarding the names projected for the political committees, some of them are not qualified, when compared with the Israeli side."

In Nahhalin, we had this encounter with the wife of martyr Riyad Shakkarinah who was sitting with her four children: "What conference? This is a dinner and a get-acquainted party. This is our land and we demand it. Will they possibly abandon the settlements because of a conference? We don't want the conference unless they give us our rights."

Father of Martyr Walid Najjajirah, Nahhalin

"If the conference will bring us our freedom, and if it ensures Israel's withdrawal from the bank and the strip, then we approve of it. The conference is but an experiment. If we fail, we will continue to be where we are and we will not relinquish our right."

"We accept self-rule if it will be short-lived and if it ensures independence. We seek self-determination like any other country. This is the third phase, and Israel must halt settlement activity. If it doesn't meet this condition, then there is no need to continue wasting time so that they can bring in more settlers. We are a people who cannot be deceived. We are the nation of peace. "But if the enemy incline towards peace, do thou (also) incline towards peace" [Koran 2:61]. If they don't want peace, we will resist to the last breath. We want nothing but to live in dignity and without fear or intimidation. The Palestinian delegation represents the PLO and will not disobey it."

We then continued the conversation with 'Azizah, the martyr's sister, who said: "I am not optimistic. There can be no peace in the region. The Palestinian delegation is good, but as the relatives of martyrs, we disagree with their opinion. We are not satisfied with self-rule."

Mother of Detainee Muhammad 'Abd-al-Majid, Nine Years in Junayd Prison

"O God, let there be peace and let my son be released from jail and from his agony, which both he and I share. O God, send us an hour of compassion, in which all the young men return. By God, my heart has been gladdened and has rejoiced at the conference. May God send relief, may there be peace, and may we live in safety."

During a tour of the old town of Nabulus, we encountered the mother of martyr Bashshar al-Masri [who said]:

"The conference is very good. We love peace and want everybody to live in commonweal and peace. We, the land and the people, want to be united. The conference will definitely lead us to our demands. Else, why would they do all this? As long as God is above, we will have no fear. What else is there to fear?"

Fayiz Ba'arah, Brother of Martyr Shahir Ba'arah

"We agree to the peace process within the Palestinian constants. We cannot forget a single drop of the blood of any martyr. I believe that this conference is the same as any conference they held previously. This is why it is a failure. As an alternative to the conference, we demand an independent state and our legitimate rights. We have been suffering for 40 years. Those who live will see that the conference negatives are more than its positives."

The end that is expected to come in this historic phase will provide the satisfactory answer to Intisar from al-Am'ari, 'Azizah from Nahhalin, Maghribi from Bala-tah, Bashshar from the old town, Hammuri from al-Ram, Shami from Wadi al-Jawz, and to the others who look forward to the new dawn that restores a smile to the lips of the children of Gaza, Hebron, Nabulus, Jerusalem, and every refugee camp, village, and town in our country. There is no place for ignoring the conflicting moans voiced under the impossible curse. There is no place for denying the voice of truth, regardless of how loud the trumpets are blown in order to drown and diminish this voice amidst the reverberations of blind applause and the wealth of eternal thrones.

ALGERIA

Dr Bahloul Comments on Finance Law

92AF0242B Algiers EL MOUDJAHID in French
30 Nov 91 p 5

[Interview with Mohand Belkacem Hassan Bahloul, chairman of the Parliamentary Committee on Infrastructure and Territorial Development, by A. Maalem; place and date not given: "An Important Step Toward Economic Recovery"]

[Text] [Maalem] What is your first opinion of the 1992 budget?

[Bahloul] From the standpoint of finance and budget, the 1992 budget has provided sufficient funds for undertaking an annual development program. State expenditures are on the order of 307.5 billion dinars [DA], compared to estimated revenues of 309 billion DA this year. Petroleum taxes will account for 63 percent of those revenues. Consequently, we should note the sizable share of revenue being contributed to the overall budget by hydrocarbons. This reflects a desire to restore the importance of foreign exchange earned by that sector even while people elsewhere are boasting that the contribution to development by hydrocarbon revenues is being reduced. In the case of expenditures, over 59 percent of the budget is devoted to operations. The remaining 41 percent is allocated to investment totaling an estimated 187 billion DA. This obviously does not compromise [as published] investments by firms and banks, but it is a very sizable amount nonetheless.

[Maalem] And what is your opinion of the 1992 development plan?

[Bahloul] Of the 187 billion DA intended for investment, 59 percent will be used for productive investment (agriculture, industry, construction, public works, and so on). That is an additional factor favoring a recovery in the productive sector, because our economy has been experiencing a situation of lethargy, primarily with respect to the use of existing capacity, where the level of utilization by our apparatus is low at around 40 percent. But it will also lessen the severity of the problems resulting from inadequate supplies of raw materials and auxiliary equipment and thus help to reenergize the material base—that is, new investments. That is a necessity. There is no development anywhere in the world where a country possesses such a resource and does not use it for that purpose. For our part, we possess petroleum but also gas (6 trillion in resources [as published]). But the problem is to find the right way to exploit those revenues. We currently must have recourse to the foreign technological contribution that has become necessary. Loans have become difficult to obtain on the international market, and conditions in the financial market are tough.

[Maalem] Why did we reach the point of depending on petroleum revenues for 98 percent of our development?

[Bahloul] The problem is not that percentage, no matter how much it is growing, but the way those revenues are being used. What we have to distribute must be aimed as a matter of priority at productive investment and at development for creating a new productive base on which we can rely after the petroleum runs out. Priority must go to the development of agriculture and industry, two basic productive sectors whose corollaries are the other paraproductive and support sectors.

[Maalem] Does this imply that resources have been poorly utilized?

[Bahloul] There have been mistakes, an example being the famous PAP [expansion not given] program, in which spending was directed toward consumption with almost no resulting benefits and the market for subsidiary products was flooded. There is also the excessive allocation of foreign exchange and the priority assigned to the support and infrastructure sector, the result being to create an imbalance in the share of the budget going to the productive sector, which has experienced periods of stagnation. This does not mean that the consumer sector was adequately supplied previously. And the infrastructure sector was not suffering any lack, but it would have been possible to remedy the situation without slowing the process in the productive sector.

[Maalem] Getting back to the budget, price supports were considered inadequate, and the deputies agreed with that. What is your opinion?

[Bahloul] The deputies proved to be sensitive to anything affecting consumer products and the recovery of production. That is why we insisted that the state must not neglect those social groups—particularly workers, fellahs, and rural workers—whose consumption is based

mainly on staple items. We insisted that the state must not stop supporting the prices of those products. As a result of the concern expressed by the APN [National People's Assembly], the state promised to continue that support effort without letup and allocated 29.5 billion DA to seven types of products (cereals, semolina and flour, oils, sugar, tomatoes, and gas). In my opinion, that appropriation is inadequate in comparison with what was allocated the year before (36 billion DA). In my speech, I expressed that concern and asked the state to promise that it would not raise the price of those products next year.

Nevertheless, I regard as favorable the support for strategic agricultural products, to which a total of 9.5 billion DA has been allocated, compared to an amount on the order of 3 billion DA in 1991.

[Maalem] What about the compensatory tax?

[Bahloul] The list of products subject to the compensatory tax is being revised to eliminate the tax on certain products and means of production and also to implement a general reduction in the tax on other products. The products still subject to the tax are those that are not staple items. They are luxury products or products that are less essential. I have two observations, however, which I also brought up during my speech before the plenary session. First of all, putting domestic and imported products on an equal footing in terms of the compensatory tax is not a good thing. And second, some products are subject to the tax but are also considered to be means of production (tires, wood, certain building materials, and so on). There again, our approach needs to be reviewed.

[Maalem] Do you have any other concerns?

[Bahloul] There is regional balance: the Sahara and the mountain regions still suffer from isolation and the lack of basic infrastructure—a weakness in structures and social facilities that exists despite the tremendous effort made to provide those facilities. The maintenance of infrastructure and social facilities is inadequate. The development of those regions cannot be viewed solely from the standpoint of infrastructure, as has been the case until now. Instead, there must be further growth in productive agricultural and industrial investments. And the time has come to tackle the problems in those regions by developing their productive sectors.

Minister Discusses Universities, Student Demands

92AF0244A Algiers EL MOUDJAHID in French
15 Nov 91 p 3

[Text] (APS)—The crisis in Algerian universities and its implications for the current year, which is being threatened with disruption by the general teachers' strike scheduled for today, were at the heart of the program "Question and Dialogue," in which Djilali Liabes was a

participant. The minister of universities answered questions concerning teachers' demands and the daily life of students. On the same occasion, he announced the decisions reached by his ministry for putting an end to the crisis.

The minister first evaluated the resumption of university classes in this school year. He described it as difficult because of last year's turn of events, which had painful consequences.

A few universities closed their doors for more than a month before the school year ended.

The universities were forced to prolong the school year or to schedule makeup examinations for the early part of last September.

Some institutes and universities simply closed their doors to academics last May and June.

He also did not fail to note the sad events experienced by the country at that time.

Discussing the problem of university politicization, he added that the universities were subjected to pressure from certain political movements, with the result that they were more or less brought to a standstill.

The urgent need for stability in the universities is what has caused the wave of protests and demands during this school year.

The minister of universities also said he was well aware of the problems being experienced by the students in residence halls.

The problems with housing, food, and safety, the lack of libraries, and the weakness of social services were on the agenda at a special meeting that he recently held with the directors of the university social service centers [COSUs] in the presence of representatives of all the student associations in university residence halls in the central part of the country.

The participants made a number of suggestions.

In that connection, the minister added that "committees of inquiry, all consisting of the same number of representatives of the central organization and students, are at work in the residence halls to check on the (school) rules governing the residence halls."

He pointed out that the "sector has not seen the addition of a single new residence hall for three years because of construction problems and irrational management of the COSUs. Consequently, there must not be an emergency plan, because such a plan would undermine those special measures to evict illegal residents from all the residence halls."

The minister added that it was necessary to reorganize relations between students and COSU managers on the basis of participation by the students, through their

representatives, in the management of the halls, as was done by the common management committees during the 1970's.

Djilali Liabes stressed the need to reflect on an architectural style for the residence halls, considering the growing number of students and the nation's declining capabilities from one year to the next. That, he pointed out, is an important issue that has an effect on education.

According to the minister, the lack of rationality in the management of the residence halls is reflected in the notable lack of libraries and study halls in those residences, and he described that situation as "the disaster of the residence halls," which are places for a common life in which relationships among students develop. Hence the need for the above-mentioned committees of inquiry to create all the necessary conditions for study.

On that subject, Liabes mentioned an emergency program that will be launched in coming weeks and will make possible the revitalization of libraries and study halls in the residence halls.

The minister explained the absence of facilities in some residence halls by saying that a sizable share of the university budget had been used for teaching to the detriment of university life in the residence halls.

That was the reason for the preparation on 9 November of the special plan covering universities and residence halls. The minister said that in previous years, the ministry had drawn up a list of priorities with respect to facilities in the most needy residence halls. It will be the turn of the other halls either this year or within the next few years.

Discussing the issue of safety, he said he had submitted suggestions last July and August.

Discussing the Arabization of certain scientific subjects, the minister emphasized the impossibility of spreading the use of Arabic without first mastering foreign languages in the scientific field.

Languages, he said, constitute a tool for improving the use of technical terms, and a student who raises the issue of a single language is not worthy to be a true academic. According to the minister, the problem that presents itself in connection with special fields is that most of them are documented in foreign languages, especially English. He pointed out that 98 percent of the existing books in libraries are in foreign languages.

He stated, however, that the problem would be properly solved if the issue of Arabization were not politicized.

The minister added that the demands of the students at the medical schools had been discussed by the pedagogical committees and submitted at the regional and national levels, and he emphasized that the decision to amend the ministerial ruling was the result of proposals

presented by teachers and students as part of the program for revising the teaching system in medical sciences. The modular semester system has been replaced by the annual system. Proposals to do so beginning with the resumption of classes were submitted to the students, and it was also proposed that a national seminar on medical sciences and the system of teaching those sciences be held in mid-December [1991] with the participation of student representatives.

Discussing the politicization of university problems, Djilali Liabes emphasized that there are no political connotations whatever in the handling of university problems by the Ministry of Universities. He added that students' problems are the same regardless of political affiliation.

The minister also said that students all encounter the same problems and the same difficulties, namely the problems of housing, hygiene, food, libraries, and university requirements. He said that the absence of unanimity among students when it comes to presenting their problems raises the question of the politicization of student life in the universities and residence halls, and that this makes it difficult for the Ministry of Universities to do its job.

Deputy Discusses Impact of Hydrocarbon Law

92AF0242C Algiers EL MOUDJAHID in French
2 Dec 91 p 5

[Interview with Amar Tou, deputy from Sidi Bel Abbes and chairman of the Economic Committee of the National People's Assembly, by Amar Aouimer; place and date not given: "A Source of Hope"; first paragraph is EL MOUDJAHID introduction]

[Text] This law has permanent significance. Its purpose is to stimulate the national economy while putting new vitality into Algeria's relations with its partners.

[Aouimer] What is your feeling following the adoption of the Hydrocarbon Law?

[Tou] First of all, it is primarily a feeling of great satisfaction. Because that law is a response to a very difficult economic situation. We have a sizable foreign debt to pay: we are devoting 75 percent of our current exports to the payment of that debt, and the remaining 25 percent is intended to meet part of our irreducible need for imports of food products and a few raw materials to keep our production potential going at a very low level. And we have an urgent need to revitalize production, since idle capacity is at a very high level. Moreover, the need to boost investment is being felt. It will also be necessary to protect existing jobs, because employment is currently facing a serious threat.

It is also necessary to create jobs, because unemployment is high: an estimated 1.2 million people are unemployed, according to the latest data from the National Statistics Office. So I feel that this Hydrocarbon Law is allowing us

to create hope among Algerian citizens. Because [its main advantage] is that of enabling them to live with hope based on the stirrings created by that law.

Immediately—more or less within the next six months—"there will be from \$5 billion to \$7 billion in entrance fees." Over the next two years, there will be \$4 billion for investment.

From 1994 to the year 2000, there will be \$14 billion for investment, and from 1992 to 2010, there will be additional export earnings of from \$75 billion to \$90 billion. That makes a total of from \$110 billion to \$115 billion as a result of this law. That is indeed a source of hope that we will be able to take care of our debt problems, our problems with the recovery of production, and our problems relative to investment. This does not mean that Algeria will not continue to turn to the financial market in search of (financial resources providing) adequate and appropriate financing for reinforcing its external financing capability. But I feel that in addition to the financial help it will provide, this law creates other favorable conditions on the financial market so that Algeria will be able to find other financing that will support the national effort for economic recovery, and above all, there is the fact that it is relying on its own resources.

I feel that the reorganization of the economy that has now been under way for two years as part of the reforms is essential, although based only on refinancing. That seems insufficient to me, and it may wind up creating more unfavorable and difficult conditions for the national economy over the next few years, because the debt problem will not have been solved, considering that we are obligated not only to repay the \$25 billion but also to refinance the modernization of the productive apparatus.

This is a situation that threatens to repeat itself if we rely only on financing: the reorganization of the economy through refinancing.

So we are obligated to rely on our own resources so that this second phase will be more promising and productive.

[Aouimer] This Hydrocarbon Law is very crucial because it is expected to provide from \$5 billion to \$7 billion over the next six months and, especially, to bring in from \$75 billion to \$90 billion between now and the year 2010 (additional revenue from exports). Isn't it the economic future of the country that is being mortgaged?

[Tou] In addition to the \$18 billion in investment. Because the amount of from \$5 billion to \$7 billion is linked to the entrance and partnership fees charged to foreign companies joining Sonatrach in existing activities. We have \$4 billion plus \$14 billion (a total of \$18 billion) earmarked for investment between 1992 and the year 2000, not to mention the additional amount contributed by production (from \$75 billion to \$90 billion) through the year 2010.

As usual (when the national interest is at stake, their decisions are made only by themselves), the deputies saw no other solution, hence the massive vote. Their sense of responsibility deserves a salute, and this is not something new.

[Aouimer] On the subject of cooperation and partnership with foreign companies, what specifically exists?

[Tou] There have been inquiries from foreign firms wanting to know the situation with hydrocarbon legislation. Proposals have been made, but one cannot begin negotiations until the legal texts have been drawn up. Because what foreign companies want above all else is sacred guarantees. But many firms, particularly Italian ones, are interested in Algeria. This law constitutes the common denominator among all the political parties, even though there are reservations.

[Aouimer] The state's reserves are estimated at a little over \$1 billion, and we have an immediate need for more than \$2 billion. What is the solution?

[Tou] We are convinced that this law will make it possible to loosen the vise on the country's external finances and to begin the process of boosting the national economy. We are optimistic as to the efficient use of our natural resources for encouraging a greater international financial contribution; those are guarantees which act as an incentive.

The law is part of a long-term process, and at the same time, it is meeting urgent needs.

[Aouimer] Stabilization of the political climate is of paramount importance in attracting foreign partners. What do you think of this?

[Tou] National concord and the social climate will make it possible to draw the best benefit from all the activities undertaken in the economic area, notably implementation of these laws on hydrocarbons and mining. Italian and Spanish companies are committed, while other foreign companies have proven to be cautious.

[Aouimer] Several billion dollars will be needed within the next few months to boost the country's economy and put us in a position to start off on a firm footing. What do you think of this?

[Tou] The National Assembly has just given the government, as it has in the case of previous governments, an important tool enabling it to achieve the objectives set forth in this contract. I remain optimistic as to the implementation of this contract in the field so that the country's economic apparatus can benefit from the results of this operation. Thanks to that and the foreign financial contribution promised or expected, we will obtain fresh money which will also reduce the country's indebtedness.

[Aouimer] Does this law have other favorable aspects?

[Tou] It is a law that permits partnerships in all the wells in the country's hydrocarbon deposits, those now in existence and those still to be discovered.

1. It also puts an end to the dichotomy that once prevailed in the treatment of gas and petroleum.

2. The same conditions and basic rules for treating both are stipulated and established by this law.

3. This law is also based on the principle of a minimum of 51 percent for Algeria and a maximum of 49 percent for foreign companies.

4. Complete confidence is placed in Algerian cadres in the area of hydrocarbons and so on when it comes to implementation of the country's new energy policy. It is those cadres who are responsible for choosing the operations to be pursued and the most worthwhile partnerships—wherever foreigners can play a role and wherever we need a technological and financial contribution. Confidence in the cadres is clearly established in this law so that Algerians will feel free to serve the national interest.

The clarity of the process of current reforms in today's social and political conditions enables Algerians to hope that they can interest foreign companies. Many of the latter are preparing for partnerships and for association in the form of "mixed-capital companies." This law has permanent significance, and its objective is to stimulate the national economy while putting new vitality into Algeria's relations with its partners.

[Aouimer] As a deputy and chairman of the Economic Committee, what is your message?

[Tou] First of all, the government must be reminded of its promises. In my view, public opinion attaches very great importance to the passage of this law and feels that hope is now permitted. It is up to the government to move quickly to permit the realization of that hope so that Algerians will have confidence in themselves, and consensus must serve the national interest.

Partisan conflicts must be overcome. It is necessary to assign a privileged place to the higher interests of the nation, regardless of the results of the legislative elections on 26 December.

The basic conditions for national consensus exist.

Price Liberalization Policy Discussed

92AF0242D Algiers EL MOUDJAHID in French
2 Dec 91 p 3

[Interview with the [unidentified] minister delegate for commerce], by Fouad Daoud; place and date not given: "The Price System Will Be Altered for all Products"; quotation marks as published]

[Text] [Daoud] The domestic market is experiencing a disturbing explosion in prices that is increasingly eroding

the purchasing power of low-income groups. Since the price control system is ineffective, what specific measures do you intend to adopt to halt this scourge?

[Answer] A set of measures has already been adopted, and they are now being implemented in the field.

First, it is a matter of compiling a list of those production and commercial firms that have raised their prices recently.

On the basis of that list, which incidentally is now complete, those firms are being required to submit a price schedule covering the products they sell or produce.

The firms that we feel are involved in those increases are currently being audited. For that purpose, the Directorate General of Competition and Prices began sending agents to some firms on Saturday. Those agents are responsible for gathering, on the spot, all the information which a firm regards as justifying its price increases.

There are also measures for checking the prices charged on the market, especially in the case of products subsidized by the state.

In the case of those products, a directive has been sent to all the governors and the Directorate General of National Security concerned, as well as the National Gendarmerie, instructing them to participate in the control of prices to the extent that their authority allows and to repress any violation very severely.

Other measures will soon follow. They will consist of taking immediate action as soon as a price schedule is submitted. If an irregularity is noted in the dossier, the Directorate of Trade in the governorate handling the dossier will block the price increase and order the firm to revise the basis on which its price is calculated.

There will also be measures relative to the fight against fraud and tax evasion. They will consist of tax audits in the case of firms that do not comply with price controls and which engage in illegal practices.

Those measures will establish more order in the sector of trade.

Considering that the government is buckling down to the task of straightening out public enterprises and helping private firms under the terms of the arrangement agreed upon during the tripartite meeting between the government, the employers, and the UGTA [General Union of Algerian Workers], while at the same time making efforts to reduce the costs borne by those same firms, it is natural that they should take all those reductions into account in setting their prices.

As far as the compensatory tax is concerned, the results expected from its reduction are slow in coming.

In the case of the compensatory tax, reductions and exemptions were introduced by the supplementary 1991 budget.

The effect on the budget was a loss of revenue totaling nearly 10 billion dinars. We felt very sincerely that in the firms benefiting from that tax relief, the savings should be reflected in their prices.

We were not expecting immediate results in the form of price reductions, but we were expecting that at least the effect would be to stabilize prices.

Those firms are now using the recent devaluation of the dinar—which occurred last 30 September—as an excuse, saying that the effect of their exemption from the compensatory tax has been wiped out by the devaluation of the dinar.

We at the Ministry of Commerce do not agree with that reasoning because those firms now have lower import costs.

On that basis, and with the cost level absorbed, we feel it is natural that there should be no immediate impact on prices. This is an economic phenomenon which cannot be challenged by the businessmen.

[Daoud] What, specifically, has been done in that connection?

[Answer] We are currently carrying out audits based on cost prices. That is what the law says. Depending on the price system (with a profit ceiling or with unregulated prices), the firm submits its price schedule. We check the makeup of prices and see what sector the firm is active in. If it is a sector where there is a lot of competition, prices are set by the laws of the marketplace.

If the firm is active in a particular area, we recalculate the price on the basis of information available to us and to the firm.

We make sure that the firm has not included in its dossier elements that have nothing to do with the price.

What we say to the firms is that it is not normal to want to make up for several years of deficit through a policy of raising prices in a very short period of time.

Doing so is uneconomic and very unhealthy for the firm. This has been said to the Confederation of Private Employers and to the managers of public enterprises.

[Daoud] What about products that are not affected by the devaluation of the dinar and the compensatory tax but that are more expensive than ever?

[Answer] Tell me the names of products that are manufactured here.

[Daoud] Fruits and vegetables are certainly things that we produce here.

[Answer] You need to realize that to produce fruits and vegetables, you have to have fertilizer, which is imported. You need pesticides and herbicides, which are imported and cost foreign exchange and are therefore subject to price increases.

You use tractors, which are partly manufactured in this country but for which the spare parts are imported, and you know how the price of tractors has risen.

It has risen from 50,000 dinars four years ago to over 350,000 dinars today. I personally do not know of any products that are 100-percent Algerian. If there are any, I would like to know what they are. Production is always affected by what is called the imported component. We use the term "domestic production," but in fact, there is always a portion involving foreign exchange. Its importance varies depending on the domestic component of the product.

[Daoud] All the same, the effects are minimal.

[Answer] The effect is not a direct one. I will use the example you mentioned. If a fellah does not use fertilizer, he will produce less. You will tell me that he did not use foreign exchange. But the production that he puts on the market will be clearly insufficient to meet the demand. Result: prices will rise. Those are the laws of nature.

The same is true of fish. You will tell me that no foreign exchange is involved in fish. But fishing is done by trawlers with imported nets and imported hooks, and even the tanks in which the fish are held are imported.

There is always an indirect secondary effect at the level of domestic production.

[Daoud] Can you tell us the approximate date on which price deregulation will take effect?

[Answer] First of all, the budget has not yet been approved. We must wait until it is passed to see whether the system being proposed by the government as a replacement for the price support system is going to be accepted by the APN [National People's Assembly].

That is a commitment by the head of the government, which I am repeating. There will be no price deregulation until the social net is in place.

[Daoud] What about 1 January, which is so often mentioned?

[Answer] It will not happen on 1 January. I have said so officially.

[Daoud] You don't have a range of dates in mind?

[Answer] I can't tell you. If the mechanisms are put in place quickly, if the budget is passed by the APN, and if the APN accepts the system we are proposing, the timetable will be set, but not before there are negotiations with the UGTA.

I can't tell you today whether that will be in January, February, April, or July. I don't believe anyone is able to tell you.

This is not something you can plan like that. There are too many parameters involved to leave room for a simple guess at a date.

[Daoud] Which products will be affected by this deregulation, which ones will be exempt, and which systems will be applied to them?

[Answer] The price system will be altered for all products currently receiving direct support from the state, with the exception of three products whose prices will continue to be administered by the government.

[Daoud] Administered how?

[Answer] The prices in question are set by the government. This does not mean that they will be frozen. They are prices that will rise more slowly—over a longer period than the rest of the products. The products in question are bread, milk, and semolina.

[Daoud] What system will be applied in the case of products whose prices involve a profit ceiling?

[Answer] Several products are currently covered by the price system involving a profit ceiling. As competition is introduced into the activity involving those products, the government may decide to alter the product system. There is no timetable, and there is no big urgency. It is a matter of bringing competition into play so as to be sure that firms whose products are transferred from the profit ceiling system to the area of unregulated prices do not call the shots in the market because they are in a monopoly position.

[Daoud] There has been talk of a net. Do you consider it sufficient for reducing the current tension?

[Answer] We made a statement that was reiterated by the head of the government during the tripartite meeting, and I am repeating what he said: "The social net is a set of measures of a social nature affecting wages, compensation benefits, family allowances, and direct consumer support rather than price support, to which is added the higher tax exemption established as part of the new income tax for the benefit of the workers.

That social net is a unit. Whether or not it is sufficient for reducing the current tension, I believe that the decisions resulting from the tripartite meeting are a big step toward allaying the current tension.

It is nevertheless important to remember that in January the purchasing power of low-income citizens will be improved by more than 900 dinars, not to mention the indemnification to compensate for prices.

[Daoud] What if a businessman cannot handle the higher payroll resulting from those measures?

[Answer] Those wage increases are being accompanied by measures to straighten out the situation in the firms.

The measures in question consist of purchasing the debt of the firms and paying them everything owed them by the state.

That will have the effect of reducing their debt burden. They will no longer have bank overdrafts to pay off. They will have fresh money and, consequently, the cash flow they also need for operating better.

Steps are also being taken to improve their access to lines of credit to cover supplies. The banks will be instructed to grant the same terms regardless of the firm involved, provided that it works with raw materials or equipment goods directly related to its operation.

Those are all measures that will make it possible to straighten out the environment in which the firms operate.

Zemmouri Port Development Project Announced

92AF0242A Algiers EL MOUDJAHID in French
28 Nov 91 p 7

[Article by M.S.L.: "Pilot Fishing Port"]

[Text] The port of Zemmouri, which was visited last Monday by the ministerial delegation headed by the head of the government, marks the start of an ambitious strategy aimed not only at rehabilitating centers of port infrastructure by giving a boost to modern fishing but especially at inducing multiplier effects in the coastal strip (120 km) and the extreme northeastern part of the governorate (Cap Djinet and Dellys).

Once completed, the work to expand and develop the Zemmouri fishing port (the job has been entrusted to Sonatram [National Ocean Transportation Company]) will make it possible to increase the mobility of the trawlers considerably. For example, the fleet's current capacity will be increased from 70 to 150 boats ("metiers").

Several support structures are planned along with development of the port (a fresh fish market, a fueling station, cold storage warehouses, an ice plant, a processing unit, and so on).

As part of the program for employing young people, the Boumerdes Governorate has helped to set up 15 fishing cooperatives equipped with 9-meter boats (FVR). The equipment has been divided between the two port locations: Dellys (four boats) and Zemmouri El Bahri (six boats).

Five more boats are in the process of being accepted for use by five other cooperatives.

DGSN Police Chief Discusses Crime Statistics

92AF0244B Algiers EL MOUDJAHID in French
27 Nov 91 p 3

[Article by Nadia Aicheche: "Crime in Figures"]

[Text] During the first half of 1991, according to the Gendarmerie, the crime statistics included 21 cases of kidnapping and five cases of illegal confinement. There is also organized crime, and the question here is whether it is the work of hoodlums committing holdups just to get money or of tiny extremist groups with political motivations that are rejected by society but which they are trying to impose by violence. We will know more after the investigation of the two "armed sorties" early this month has been completed.

For the moment, it must be stated that the threat is far from imaginary.

Police Chief Saadi of the Criminal Investigation Police in the DGSN [Directorate General of National Security] emphasizes: "If crime is increasing, the reason is that everything is relative to the new plan for society; the trend in crime having changed, that increase is a 'normal' phenomenon."

People fear the extent of that insecurity in society: women are being attacked in broad daylight and stripped of their jewelry, houses are being burglarized, and crimes against the family and public decency are increasing every day: is this normal?

As far as the figures for the capital alone during the first half of 1991 are concerned, records by the Criminal Investigation Police [PJ] show that there were 1,617 cases, of which 1,320 were solved and 726 resulted in arrests (cases involving felonies and misdemeanors committed against persons). As far as felonies and misdemeanors committed against the family and public decency are concerned, the PJ recorded 778 cases, 740 of which were solved, with 586 persons being arrested and 398 being committed to prison.

Added to that are felonies and misdemeanors committed against property: 10,422 cases were recorded, with 2,863 being solved and 1,842 persons being involved. The result was 1,099 persons committed to prison.

If we look at the statistics for 1990, we find that according to the study by the PJ directorate, 116,535 cases were handled and 77,326 were solved, resulting in the detention for questioning of 75,939 persons, including 6,635 minors, 4,358 women, and 1,017 foreigners. Of all the individuals prosecuted, 24,233 were committed to prison, including 1,830 minors, 998 women, and 521 foreigners. Geographically, crime in 1990 was distributed as follows:

South: 7,027 cases (7 percent).

East: 31,128 cases (27 percent).

West: 35,412 cases (30 percent).

Center: 42,268 cases (36 percent).

The study carried out by the DGSN reveals the structure of crime in Algeria. It shows that of 69,036 cases, 59 percent were crimes against property, that being the largest group of offenses. Crimes against persons came in second, with 20,195 cases, or 17 percent.

Crimes against the national economy totaled 14,108, or 12 percent.

Crimes against the family and public decency were in fourth place with 8,975 cases (8 percent), and there were 4,221 miscellaneous cases.

During the first half of 1991, there were 18,158 cases.

Of that number, 1,518 were solved, with 815 persons being involved and 275 being committed to prison (including 16 minors and one woman).

In the case of felonies and misdemeanors committed against the family and public decency, the Criminal Investigation Police recorded the following:

A total of 746 cases, of which 693 were solved by questioning 614 individuals, with 398 persons being committed to prison.

For its part, the National Gendarmerie has informed us concerning felonies and misdemeanors committed nationwide against persons, property, and so on during the first half of 1991.

In the case of assault and battery involving the use of knives or other weapons, there were a total of 1,105 felonies. Coming in second was aggravated theft in a dwelling (510 felonies and 37 misdemeanors).

Felonies and misdemeanors committed against the family and public decency were on the order of 173 felonies and 200 misdemeanors.

Nationwide, 21 kidnappings and five cases of illegal confinement were recorded. There were 20 rapes of minors and 144 cases of indecent assault, 122 of which involved violence.

Last, the figures concerning murder, premeditated murder, infanticide, and parricide are as follows: murder: 71; premeditated murder: 11; infanticide: four, and parricide: three.

The perpetrators of the felonies and misdemeanors reported above included both sexes, but far more crimes were committed by men than by women.

For example, of the 1,102 individuals questioned in connection with aggravated theft, only 10 were women.

Concerning the occupations of those guilty of crimes, the statistics show us that their number includes students, government employees, and white-collar workers as well—of course—as the unemployed, who head the list in all the categories of crime recorded.

As far as the legal consequences are concerned, it is generally the case that the number of individuals in jail exceeds the number out on bail.

Reason for Alarm?

According to statements by Major Hallab of the National Gendarmerie, "the situation is not alarming. We have it under control. But as far as we are concerned, every victim is one too many. One must always put oneself in the position of the family that is the victim."

On that same subject, Saadi of the DGSN says: "The cases exist, but there is no reason to be worried, because if we look at the first half of 1990, we see that 10,422 cases were recorded and 3,858 were solved. That figure seems alarming, and in fact only one case of armed robbery was solved. Most thefts are the work of pick-pockets, car thieves, or burglars. Those are simple robberies that we are able to solve.

"But the question we must ask is: how many robbery victims do not report the matter? This means that our statistics are unreliable."

Increased Crime Attributed to Social Tension

92AF0244C Algiers *EL MOUDJAHID* in French
27 Nov 91 p 3

[Article by Abdellatif Toulbia: "Repression Is Not a Remedy"]

[Text] Asked to enlighten us concerning the state of insecurity that has prevailed since the state of siege was lifted, Abdallah Melak, deputy public prosecutor at the Algiers Court, avoided the usual generalities and sterile details and explained to us simply that what is meant by insecurity is primarily offenses against persons and property. "But there is still the question of proportions." Melak told us that "the increase in the number of crimes must be seen in relation to the rise in population. It is possible to interpret the figures, read them in the raw state, and form an objective idea of the data without reference to that basic fact."

The deputy public prosecutor feels that "there is no comparison with what is happening elsewhere." In his opinion, "in our country, repression is not a remedy, otherwise we would not have a courtroom open to the citizens."

How should the subject be tackled? Is there an approach? How can it be dealt with? Should we convene a general conference of the parties to reach a consensus on the issue? Can the social associations join with judges, police, and other local organizations for the purpose of drawing up a plan against insecurity? In the final analysis, insecurity is not inevitable, because "every ill implies the search for a remedy."

When questioned, almost all other judges and prosecutors agree, with some minor variations.

In the opinion of Seddik Touati, presiding judge of the Sidi M'Hamed (Algiers) Court, "the insecurity represented by direct assault is on the rise. The snatching of objects of value in public places, especially in train stations, where many thefts take place, is what we have been dealing with in recent court cases." The presiding judge adds: "The atmosphere prompts the citizen to be on his guard." Touati concludes by saying that "the judges and prosecutors in the court I head are more careful than ever to see that justice is administered in all its severity and that it punishes whenever the law allows."

Mohamed Amar, public prosecutor at the Sidi M'Hamed (Algiers) Court, who takes an interest in current events, considers the atmosphere of insecurity in the capital normal in comparison with cities in other countries "that are well known as being unsafe," he explains. Concerning another aspect of the phenomenon, he adds that "the means of investigation available to the security forces, which are truly complementary instruments in the work of the courts, are clearly inadequate."

The prosecutor feels, therefore, that "in order not to shift from a form of occasional crime to a more dangerous form (armed attacks on bank branches and companies), it is useful and necessary to provide the structures that combat crime with more effective resources."

In the meantime, the Public Prosecutor's Office in Sidi M'Hamed is taking pains to mobilize all the energies placed at its disposal for achieving its main task, which is to fight crime.

The citizens have a legitimate right to security. Before concluding, let us provide some brief but eloquent figures to illustrate the activity of the Sidi M'Hamed (Algiers) Court:

There are 20 court appearances per day, not including Thursdays, when someone is on duty to ensure (and this is excellent for our justice system) that defendants can avoid the famous and fearsome fate of being held in police custody.

EGYPT

Ministry To Revise Foreign Investment Laws

92AF0220A Cairo AL-MUSAWWAR in Arabic
6 Dec 91 p 12

[Article by Safa' Louis: "New Terms for Foreign Borrowing in 1992"]

[Text] AL-MUSAWWAR has learned that the Ministry of International Cooperation is currently formulating new terms for foreign borrowing as a means of financing development projects. The terms are to be implemented as of the beginning of 1992. This will be achieved through taking several important steps. The first of these steps is to apply the principle of international bidding in foreign loans in order to benefit from the element of

competition to obtain the best prices and terms, with foreign financing to be restricted to the foreign component of projects. As for financing local commodity and services needs, this will be done internally.

The ministry is seeking, through its direct contacts with the lending institutions—whether countries or international institutions—to allocate the loans by sector, and not by project, in order to provide adequate flexibility in implementation, particularly since the Egyptian Government had faced difficulties in using a loan dedicated to a certain project in another project.

The ministry demands that appropriate compensation be offered in order to deal with the negative effects on the economic feasibility of projects that have been financed with strong currencies, such as the Japanese yen, and calls on Egyptian consulting establishments to participate with foreign consultants in implementing projects. It also calls for reducing consultants' fees allocated in loans.

With regard to grants, the ministry is demanding that these be raised to be commensurate with the magnitude of political or economic interests that the granting country is realizing in Egypt, particularly regarding the trade and payment balance situation.

An official source at the Ministry of International Cooperation said that no loan whatsoever is now being approved in Egypt unless the project that benefits from such a loan can repay it in foreign currency from its own resources.

The new Ministry of International Cooperation plan for 1992 also calls for reducing foreign borrowing as much as possible by increasing local manufacturing of commodities and reducing the foreign component. Foreign borrowing should be restricted to necessary loans for high-yield projects.

Within this context, the ministry is intervening to stop foreign contracting, with the aim of streamlining the use of foreign currency in cases where existing companies are capable of manufacturing the goods locally.

The ministry is seeking to avoid redundancy in financing and to obtain the best loan terms via total cooperation with the lending parties.

Officials Comment on Commodity Price Rises

Minister of Agriculture

92AF0219A Cairo AKHIR SA'AH in Arabic 13 Nov 91
pp 12-13

[Interview with Agriculture Minister Yusuf Wali by Suhayr al-Husayni in Cairo; date not given]

[Text] What are the causes of the insane price rises for most types of vegetables? Why has the average price for one kilogram gone to 2 or 3 Egyptian pounds for the first time, and over a long period, not just in planting season?

What is the explanation for these prices rising so much more than those of fruits, contrary to the usual situation? Does this reflect a defect in our agricultural policy? Why did the price of eggs suddenly go up to 20 or 25 piasters, while the price of dairy products rose to 2.25 pounds per kilogram? Thus we increase the chance that the price of basic foods for schoolchildren will rise.

And what ever happened to the wheat-growing agricultural experiment in Egypt? Are we still paying \$1.3 billion annually to provide loaves of bread? What about the transfer of land to youth for cultivation? Is it true what is said about the complications faced by anyone who puts effort and money into reclaiming the desert? Finally, when will a law setting out the relations between landlords and tenants appear, especially since these relations have grown thorny and now threaten our agricultural resources?

All these questions were the basic focuses of AKHIR SA'AH's discussion with Deputy Prime Minister and Minister of Agriculture Dr. Yusuf Wali, who said that, in light of the abundant production of vegetables and the successive boosts in per-feddan average yields, any price increase is unreasonable. He also said that the effect of opening the borders with Libya will be limited. He reaffirmed the success of the project for transferring agricultural land to youth, and that our wheat production was nearing 5 million tons annually, versus 2.3 million tons [annually] in the past 10 years.

[al-Husayni] I began the interview with Dr. Yusuf Wali, deputy prime minister and minister of agriculture: Mr. Deputy, the price of vegetables has risen so remarkably in recent months that people are beginning to wonder—especially as the high prices include nearly all types of produce, and over a long time, not just the harvest season.

[Wali] In light of the abundance of vegetable production, either at the level of the stability of acreage or of successive boosts in per-feddan average yields, any price increase is unreasonable, particularly since vegetable consumption averages are also relatively stable.

[al-Husayni] But vegetable prices actually have risen, and very sharply. How do you explain that?

[Wali] There have actually been price rises for some types of vegetables. But this increase is temporary, and this is what is confirmed by these price levels now. They have begun to decrease rapidly, just as they increased suddenly. This limits the optimism for this phenomenon, which exploits the scarcity of a commodity for a very limited time to control a high price level. This cannot go on for long. Of course, the production volume will impose a reasonable price level, especially if consumers refuse to cooperate with attempts to impose high prices. There are always alternatives.

Price Hikes for Eggs, Vegetables

[al-Husayni] There is another phenomenon that now requires an explanation: the price increases for vegetables, far steeper than fruit prices, contrary to the usual situation. The price of a kilogram of grapes, guavas, strawberries, or dates is now somewhere between 50 and 100 piasters [one-hundredth of an Egyptian pound], while the price of zucchini, potatoes, tomatoes, and cucumbers has reached 2 to 3 pounds. What is the explanation for that? Does it represent a shortcoming in our agricultural policy?

[Wali] There is no kilogram of vegetables now on the market costing more than one and a half pounds, and this holds true for okra and tomatoes, which are even less because of circumstances of the seasons between harvests. The price of zucchini is now no more than 50 piasters for the best types, and potatoes cost less than one pound.

There actually is stability in the fruit market, more than in the vegetable market. Even though efforts to raise productivity succeeded, thanks be to God, for both fruits and vegetables. This shows the importance of consumer behavior as a price-limiting factor. Consumers definitely deal with fruit differently than they do with vegetables.

[al-Husayni] Why has the price of eggs risen to 22 or 25 piasters? It was a sudden and steep increase. Secondly, dairy prices have increased to 2.25 pounds. In this way, we may be raising the price of basic schoolchildren's food. What are the reasons for that?

[Wali] In my opinion, and you might agree with me, talk of prices for foodstuffs is exaggerated, a negative factor. Does an egg really cost 25 piasters? The usual price for a tray of 30 eggs is 475 piasters, in the public and private sectors alike. Egg prices actually went up for one week, with the start of the school year, and after that prices went back to normal. The same thing with the price of a kilogram of milk, which is 160 piasters for the consumer. This means an excellent profit margin for the merchant and the distributor, when you look at the cost of taking delivery from the growers and producers, which is about half that figure. It is up to consumers to know these facts and hold fast to their rights.

Prices and Opening the Libyan Borders

[al-Husayni] The reason for food price rises in recent months is the opening of the doors to Libya, and what it consumes. We know that the population of Libya does not exceed 3 million—about the same as that of a district of Cairo. How true is this?

[Wali] In fact, the effect of opening the border with our Libyan brothers is limited. It was felt for only a few days, and after that, prices leveled off, which proves the inaccuracy of the rumors.

[al-Husayni] Dr. Yusuf Wali, where are we with the wheat-growing experiment? What is the planted acreage of wheat in Egypt? Are we still paying \$1.3 billion to supply loaves of bread?

[Wali] With regard to the production aspect, the average per-feddan yield has risen from 9 to 12 ardebs [5.6 U.S. bushels] in the last 10 years. Some areas have attained an average per-feddan yield of 24 ardebs, and the area [under cultivation] has grown to 1.8 million feddans.

Our national production is now nearing 5 million tons, compared to 2.3 million tons 10 years ago. Work to increase per-feddan yield is ongoing; that will allow an increase of averages in limited areas, thus rendering the possibility of making it universal for all areas. As to increasing cultivated area, expansion will generally take place on the northern coast and the northern and southern Sinai, so that the total area will reach 2 million feddans.

As to the consumption of wheat and flour, which is no less important than the production aspect, it is well known that average per capita consumption has now exceeded 200 kg per year. This is a large and unreasonable figure. The per capita consumption figures we have been used to in Egypt for many years never exceeded 75 kg annually. If we succeed in achieving a per capita consumption average of 100 kg instead of 75 kg, national wheat production will have reached a large degree of self-sufficiency. The import gap will become negligible, and may be entirely eliminated in a few years.

Red Tape Hampers Desert Agriculture

[al-Husayni] President Husni Mubarak has issued a decision whereby desert lands belong to whoever cultivates them, but there are those who say that the opposite has happened, and that whoever puts his effort, sweat, and money to reclaim the desert often comes up against red tape. What is your comment on this? Is the Ministry making any attempt to rectify this?

[Wali] Most of the land reclamation is being done by private sector individuals. Their projects are backed by all legal guarantees, and this is confirmed by the increase in private sector reclaimed land. The government allows the transfer of desert lands at nominal prices, in accordance with the directives of President Muhammad Husni Mubarak. The stipulation of the serious reclamation of these lands is a fundamental part of conferring ownership.

Attempts to speculate in the land, to take advantage of the nominal prices for the land, and then keep them in a desert state preparatory to selling them under the table later on—this is what we are decisively confronting. This threatens the continuity of land reclamation projects. Speculating in land harms those who are making serious and sincere efforts. Last April, I made a decision to convey title to the owners of all land reclamation projects with the end of the present year. This was to provide legal stability to their projects and transfer

contracts, which I sign myself after the actual survey that proves reclamation. Since last April, thousands of transfer contracts have been turned over to people with projects.

Increase in Cultivated Areas

[al-Husayni] Dr. Yusuf Wali, with your plans to reclaim and cultivate desert lands, has there been any change in the figure of 4 percent of total land area, which is the green strip we all live in? What is the rate of cultivated land in Egypt now?

[Wali] The area of cultivated land, according to my ministry's reports, land reclamation, public works, and water supplies, have increased from 5.8 million feddans to 7.2 million feddans in the last few years. It is well-known that the plan to expand reclaimed land is subject to necessary water supplies. These foreseen supplies will allow expansion by 1.7 million new feddans, and are the focus of the land reclamation plan in coming years.

[al-Husayni] How do you assess, so far, the experiment of transferring land to youth for reclamation and cultivation? Especially since experts have said that without the strong support of youth, the experiment will not succeed.

[Wali] The support is there at the technical and material level, but effort and coexistence in the new society remain the basic factors in the success of this leading project. The increase in the scale of the application in the areas that have been distributed, or the numbers of youths benefitting from this project, confirm its success. It may be considered one of the key channels for giving our youth a chance at productive work, unlike jobs that are more like masked unemployment.

It is impossible to claim that the task is an easy one. It is arduous, and we will find success in it to the same extent that it is difficult. The increase in the alumni villages shows the true mettle of Egyptian youth in their steadfastness and their capacity for handling challenges, problems, and hardships. Their work experience in this regard represents a basic resource for newcomers. This year, our goal is to transfer 15,000 youths, compared to 11,000 last year.

The land distribution project is aimed at graduates, to create real, productive job opportunities for graduates. As I said, and the project relies on the ministry's land reclamation projects. Through reclamation operations in some of the areas where the government has taken over the infrastructure for distribution to graduates—up to 5 or 6 feddans, with the construction of a home for each graduate, and all the incentives the government offers. The cost of reclaiming one feddan is about 5,000 pounds. It is sold to a graduate for about 1,000 pounds per feddan. The cost of building the home is about 10,000 pounds. It is sold to a graduate for about 1,000 pounds for the feddan and 5,000 pounds for the home. It is paid back in installments over 30 years, with a grace period of four years. Thus, the state pays about 25,000 pounds to

provide a job for every graduate benefitting from this project. About 42,000 feddans were distributed in 1987-1988 to 7,683 graduates, and about 60,500 feddans were distributed in 1989 to 11,000 graduates. In 1990, 75,000 feddans were distributed to new graduates on the same conditions.

Balance Between Landlords and Tenants

[al-Husayni] The relationship between the landlord and the tenant has gotten thorny, and is not serving agricultural development in Egypt. Everyone is waiting for the law organizing the owner-tenant relationship to be issued—when will this law see the light of day?

[Wali] Re-balancing the two sides of the lease relationship in agricultural land was the focus of the work done by the Agriculture Ministry's committees and those of the National [Democratic] Party. They produced a number of proposals, including raising the tax value, which will be the basis for calculating the lease value. The rest of the proposals, which are related to the period of the legal claim for inheriting the lease contract, and releasing the owner's right to sell part of his leased land, are now deferred for further study, in light of the importance of this relationship to all, in preparation for issuing the law.

Director of Supply Inspections

92AF0219B Cairo AKHIR SA'AH in Arabic 13 Nov 91
p 13

[Interview with Maj. Gen. Muhammad 'Abbas Ahmad, director of Supply Inspections, by Suhayr al-Husayni in Cairo; date not given]

[Text] [al-Husayni] Now, what are the activities of Supply Inspections to limit price rises? What is the scale of the department's activity? How many commercial fraud cases are there? Why is there a disparity in prices of a given commodity from one district to another? What are the bread loaf violations, and how are they monitored?

[Ahmad] The department is intensifying inspection campaigns and combatting the black market day and night. In the last six months, the department's efforts have resulted in the settlement of 48,396 cases, versus 45,694 in 1990, in the fields of bread, vegetables, and commodity smuggling between governorates and consumer cooperatives, and commercial fraud cases.

[al-Husayni] Turning to commercial fraud cases, one notable thing recently has been the circulation of spoiled and unclean foodstuffs. What is your role here?

[Ahmad] With commercial fraud, especially with foodstuffs, the department has, with great efforts in coordination with the Ministries of Health and Industry, led to the settlement of a large number of cases. For example, this month 296 cases were settled. Huge amounts of spoiled foods were impounded and will be destroyed.

Disparity in Prices of Single Commodity

Our discussion moved on to Major General Ambassador Nur, Deputy Supply Inspector, to deal with the issue of disparities in prices of a single commodity from one district to another, especially with fruits and vegetables. We find that the price of a kilogram of guavas or dates in affluent neighborhoods goes as high as 1.5 pounds, or two pounds, and in ordinary neighborhoods from 50 to 100 piasters. Major General Ambassador Nur has this to say about this phenomenon:

[Nur] This is a fact. There is a great difference between markets in Zamalik, al-Duqqi, and Heliopolis [Masr al-Jadidah]; and those in ordinary markets such as al-Nasiriyah, the al-['Itris] market in Sayyidah Zaynab, the Tablitiyah market in al-Darb al-Ahmar, al-Hifziyah in Shubrah and al-Sahil, and the [Mushabik] market in Bulaq al-Dakrur.

[The factors affecting prices are] First, the social level and material income of the residents of these areas. Secondly, the distance between the wholesale market and these areas, in addition to the habit of people in affluent neighborhoods of buying from fruit shops. We are aware that the owners of those shops buy top-quality fruit from the wholesale market or first-class producers. Of course, top-quality has a price different from second-quality, which is available in the popular markets. This is in addition to the taxes, insurance, staff wages, electricity and water bills these shops pay. In the end, all these expenses are borne by the commodity price.

So, we see that a guava in the al-Nasiriyah market and other such markets is about 40 to 60 piasters, while in Zamalik and al-Duqqi it costs 80 to 100 piasters. This is aside from the fact that some people in the affluent areas demand certain varieties—"Banati guavas" for example—which are sold at yet a third price. Also, take into consideration that there is no price-fixing or oversight on fruits.

[al-Husayni] Are all varieties of fruit not price-fixed?

[Nur] Yes, all varieties of fruit are not price-fixed.

[al-Husayni] What is the position of Supply Inspections on non-price-fixed commodities. Don't you have any power over those sellers?

[Nur] There is no price-fixing now on anything; the economic market is free. Eggs are not price-fixed. With non-price-fixed commodities, the merchant must post a price for the items, and if he sells at a price higher than the posted price, he will be called in. This happens rarely, because the merchant alone sets the price he wants, and it would be illogical to then contravene his own price and subject himself to the punishment of the law.

[al-Husayni] What about vegetables, are they all not subject to price fixing?

[Nur] With vegetables, not all kinds are priced. The fix-priced ones are tomatoes, onions, potatoes, zucchini, string beans, and eggplant. The rest do not have set prices.

With the vegetables subject to price-fixing, the department and its branches in the governorates arrest violators of the price-setting system, which is changed weekly. Some 5,729 fruit and vegetable cases were settled in August and September of 1991, compared with 3,305 in the same period of the preceding year.

So that the truth may prevail, a commodity like tomatoes is in harvest season now, and a small number are available, priced at 120 piasters for consumers. When they are sold for more than that, the offenders are arrested. This week 712 cases were settled in retail markets and shops, and nine in wholesalers and various wholesale markets. We impounded 3,780 baskets of tomatoes, and they were distributed to consumer cooperatives. This does not affect availability because there is very little available. So the Minister of Supply ordered the giving of large quantities of tomato sauce to the consumer cooperatives because of the scarcity of tomatoes. There were 680 tons of them.

Bread gets much care and attention from all monitoring agencies and state agencies, too—from the Ministry of Agriculture, Supply, and Interior.

[al-Husayni] Even so, there are still complaints about the bread loaf, in terms of its bulk, weight, and production.

[Nur] The bakeries' violations are summarized in their selling flour on the black market; producing underweight bread; or making bread that violates standards, either because it is not fully cooked or has raw bran or any other foreign matter in it. In this regard, Supply Inspection spares no violator. We have curbed 286 bakeries for violations in October, either for producing substandard or underweight bread. [We processed] 136 cases of bread being sold at illegally high prices—i.e., at 10 piasters per loaf.

[al-Husayni] Does the bakeries' continuing violation of bread production standards reflect a weakness in the punishment, or its unfeasibility as a means of deterring violators?

[Nur] The punishment is a deterrent: from six months to two years' suspension of business. The judge has no choice between fine or suspension. Suspension is mandatory, along with a fine. There is another type of exceptional measure, which allows for the detention of the violator. This is a legal penalty, according to the Emergency Law enacted by the Legislative Committee in Egypt. This law is applied solely to those who tamper with the interests of the people.

[al-Husayni] So what is the explanation for bakery owners' continued violations and their insistence on producing these kinds of substandard bread, which still fill the markets?

[Nur] There are many reasons: shortage of skilled manpower, the different kinds of flour delivered to the bakeries, and tamperers, in addition to the fact that all supply violations are held without implementing the sentences, or that the public prosecutor takes them to court only every so often! Also, the central monitoring agencies alone cannot cover the immense regional distribution of the bakeries. There is an inevitable need for local support.

[al-Husayni] How many bakeries are there now?

[Nur] In Cairo alone, there are 480 bakeries for local-type bread, 360 for European-type bread, and 60 bakeries producing Syrian loaves.

Minister Comments on Press Freedom

92AF0218A Cairo AL-AHRAM AL-IQTISADI in Arabic
4 Nov 91 p 77

[Article by 'Abd-al-'Azim Darwish]

[Text] In an exclusive interview with the "Awraq al-Mu'aradah [opposition papers]" feature, Mr. Safwat al-Sharif, the minister of information, said that his ministry's strategy is based on a well-defined philosophy that aims to make Cairo a center for the dissemination of information in the region, whether written, audio, or video. "Many of the daily and weekly Arab and foreign newspapers from all around the world are now printed in Egypt and exported abroad, while the capacities of the national press establishments are now being fully utilized. Moreover, there is the cultural and political activity that interacts with all the events that take place on Egyptian soil."

He said that freedom of the press in Egypt was guaranteed, as was freedom for newsmen, whether they were Egyptian, Arab, or foreign correspondents. There was no censorship whatsoever, neither of the Egyptian press nor of reports sent out by foreign correspondents from Cairo.

Competitive

On whether technological developments in transmitting reports and news, and in direct satellite transmission, raises any fears for Egyptian and Arab culture, the minister said: "We can compete. We know where to put our foot down, and we are not at all afraid to interact with diverse cultures. In fact, Egypt has an important role to play in preserving Arab culture."

On the extent to which multiple parties are reflected in the national media, especially television, Mr. Safwat al-Sharif said that Egyptian television does not discriminate among parties, and it spares no efforts in this respect. For the first time, it has given parties running in the general elections over the past 10 years the opportunity to announce their programs and explain them to the voters on television and radio without interference or censorship.

Democracy and Freedom

In this respect, the minister pointed to the time allotted by television to broadcast the sessions of the People's Assembly and Consultative Council, including requests for information and questions. "All of that is shown in full, and there is nothing like it on other television screens."

Mr. Safwat al-Sharif stressed that freedom and democracy are not only in the political programs on television, but they have even become an integral part of all media operations. "They are in dramas that are produced, in the various cultural programs, in the conferences that are held; in short, in everything that is shown on television. All views are presented, and democracy is practiced through all the media reports and programs that are presented in their various forms and numerous senses".

The minister made it a condition that the media must preserve the balance and unity of the nation on national goals and issues, under the auspices of a broad democratic movement that enables one to have any opinion.

Price of Democracy

However, during the Gulf crisis, some of the party papers violated this condition, and even the popular consensus to support the truth, and they preferred to take the side of falsehood and aggression. Here Mr. Safwat al-Sharif said, "When President Husni Mubarak made the decision to take the side of principle a few hours after Iraq's invasion of Kuwait, he was speaking for Egypt, for all Egyptians of all groups and sects, for all its citizens. The president's position spoke clearly for the people, including all their parties. But that did not stop some from departing from this consensus, and a party took Iraq's side, and defended its position."

The minister considered one the parties' departure from the popular consensus in confronting the Gulf crisis as the "price of democracy." "However, the Egyptian people are aware, and are not deceived by dazzling appearances and slogans. They are fully aware of truths and lies, and can distinguish between true and false. They have, in fact, been able to remove those who took a position supporting the Iraqi side, for the Egyptian people are the ones who made the decision to remove all those who departed from the noble position taken by the people."

Yes to Taking Sides

Speaking of the Gulf crisis, some saw fit to accuse the Egyptian media of using only Western sources in their handling of the war to liberate Kuwait, and thus being biased towards one point of view without presenting the other.

The minister responded: "The Egyptian media were completely honest. In their coverage, they used every source of knowledge and information, both from the East and the West, even from within Iraq itself." He

added that Egyptian media coverage of the war was honest, "for we did not try to embellish what was false to make it true. We reported only the truth in full. Now the honesty of the Egyptian media, and the fact that they did not take sides or embellish, has been established."

Mr. Safwat al-Sharif reiterated: "If some believe that the Egyptian media had taken sides, then I say that they took the side of principle, truth, and Arab values. We stood against a psychological war and the lying propaganda with which Iraq wished to lead the Arab nation astray. It was our duty to uncover the deception of this regime and not to keep these lies going."

He also said that if uncovering lies was taking sides, "then I say we welcome that taking of sides—"yes" to taking sides."

Because the session of the African Games that Cairo witnessed less than a month ago was the latest international testimony to the Egyptian media, the minister of information concluded his talk with "Awraq al-Mu'aradah" by saying that "all of Africa wrote a testimony to its success, as did the Arab brothers and the Egyptian people. This is what all Arab and African papers said, and all ministers of information of Arab and African brothers testified to it in their comments, and it is what critics in the Egyptian papers testified to."

Officials Comment on Sales Tax, Price Hikes

92AF0222A Cairo AKHIR SA'AH in Arabic 4 Dec 91
p 20

[Article by 'Ala' 'Abd-al-Karim: "Sales Tax Is Coat Rack for Raising Prices, Lists of Evading Merchants' Names, Consumer Victim of Greed"]

[Excerpt] The price rise continues. Accusing fingers point at exploitative merchants who have used the sales tax as a convenient "coat rack" on which to hang the increase. The surprise is that a large percentage of merchants are evading payment of this mere 10-percent tax. Thus, the consumer is paying the price for the exploitation of some greedy merchants. In this investigation, AKHIR SA'AH presents an account of the months following the application of the sales tax. What has it achieved? What are the drawbacks of the application of the law? How are the authorities confronting cases of evasion? What are the penalties? The magazine met with officials in the Sales Tax Department, the Tax Evasion Investigation Division, the Ministry of Supply Investigation Division, and a number of merchants.

Merchants continue to clash with the Tax Bureau over the sales tax. At the time the lines of this investigation were written, more than six months after the law began to be applied and after the end of the grace period, the bureau's records show that only 30,000 merchants country-wide have paid the tax so far. To get an idea of the tremendous amount of tax evasion for what is owed to the state, one need only realize that Cairo alone contains 12,000 merchants, of whom only 500 have complied,

paying 25 million Egyptian pounds. In al-Jizah Governorate only 243 merchants have come forward, paying 15 million pounds in tax.

Not surprisingly, given this tremendous evasion, the Finance Ministry's estimates about projected annual yield from the tax have come to nought. The estimates were set at 1.3 billion pounds, to increase in a few years to between 4 and 7 billion pounds annually!

What is stranger than all these figures is that the Interior Ministry has prepared lists of large merchants who have refused to register themselves. It has carried out full investigations of them, supported by documents and papers. Yet it is still waiting for instructions from the Tax Bureau to arrest them—at a time when most citizens continue to be fleeced in the name of the sales tax!

Merchants Refuse

The question is how long large merchants will continue to evade paying the sales tax after having made millions of pounds. How long will the authorities be lax about punishing these merchants?

Ahmad 'Abd-al-Radi, head of the Sales Tax Department, stated: "During the past period, the Sales Tax Department made a number of agreements about the manner in which the new tax would be applied. We worked with the entire body of merchants of every kind and independent professionals. We became acquainted with the nature of their activities and the problems they face. It is not a question of prosecuting these merchants judicially. More important is the extent of understanding between them and us as the responsible agency, something that, in the end, is in the consumer's interest. To date, 30,000 merchants have been registered, all of whom are submitting to the tax. They are paying, on the average, about 500 million pounds a month. I cannot say definitely that the others are evading payment of the tax. The high rate of sales tax evasion does not mean that the department is going to allow free rein. However, it was unreasonable for us to begin applying a new law by using the Investigation Division and the courts. Had we done so, we would have lost the confidence of merchants and professionals. Therefore, the period of overlooking evasion was a necessary stage. As time passes, we will tighten our grip on all evading merchants. However, I would call attention to an important point: the sales tax is collected by the producer. In other words, it is a tax on the value of the sale, not a production tax. For example, when the retail price of an item is set at 100 pounds, 10 percent is added to it as sales tax, so that the price becomes 110 pounds. At this point, the producer should obtain this tax from the wholesaler to be turned over to the state. In other words, the item does not increase by more than 10 percent when it reaches the consumer. A profit margin will be added only on the base price, not after the sales tax. We have, therefore, told merchants that this tax should not be shown on the invoices of wholesale and retail merchants, so that it is not collected twice. That is what we agreed on with the Ministry of Supply."

The head of the Sales Tax Department added: "When the sales tax law was passed, it was an alternative to the consumption tax law. The purpose was to simplify procedures and avoid the problems of complicated procedures that sometimes lead to police proceedings. All these procedures have been remedied by the sales tax law. For the first time, it allows out-of-court settlement of violations. It allows complaints to be lodged and problems to be mediated within a month. It gives a one-month grace period for payment after the sale. I think these are aids to merchants, even before consumers."

Who Bears the Tax?

"Prices will continue to rise as long as the tax is applied only to the wholesaler in its first stage"—thus argued a responsible source in the Sales Tax Department—"until application is extended to the retailer, who now is winning the largest share of the booty. The only solution is to continue educating consumers about the tax rate and the list of exempted items."

Major General Ahmad al-'Adili, director of the Bureau of Investigation for Taxes and Duties, expressed the following view: "We are not so much trying to apprehend cases as we are calling these merchants to abide by the law. The goal of the operation is to obtain the largest possible revenue by concentrating on large merchants, not small ones."

Another question arises here: How long will citizens bear the specter of an unnatural rise in prices on the pretext that merchants have not yet understood how to apply this tax?

An answer was provided by Counselor Mahmud Muhammad 'Ali, deputy head of the Sales Tax Department: "The sales tax is not a sword against merchants, as some people imagine. Its rate of 10 percent is well known. It is imposed on 50 percent of industrial production, 37 percent of imports, and less than 2 percent of services. It is imposed at the time of actual sale. This means that all agricultural and animal products, and whatever is manufactured from them, are exempt from this tax. In other words, everything necessary for the ordinary individual's everyday consumption is not subject to this tax. Therefore, it will increase the overall price level only by 2.3 percent and only once."

Merchants' Tricks

The finance minister's counselor and deputy department head continued: "Stores were supposed to be inventoried completely before the tax went into effect, especially since some exploitative merchants piled their storerooms with goods worth millions. Then they sold goods worth no more than 20,000 pounds on which they had paid the tax, but they applied the tax to all the products they had in their storerooms. This enabled them to make millions without any sense of conscience. I stress that such violations will not continue."

Some exploitative merchants were not content to escape paying the sales tax, even though the Tax Bureau explained the tax law "to everyone, bar none" over the period of the last two months. They formed large groups that imposed their control over prices. For example, they exploited the weapon of "friendly pricing" and paid the prices of some commodities in order to multiply their profits from the pockets of poor.

Months after the sales tax was applied, the wave of tremendous interest in buying has stopped, especially after the period of sales has ended, and stagnation has again prevailed. There is no longer room for maneuvers by merchants aimed at citizens' pockets—the market gives mute testimony to this. An official in a branch of a public sector, consumer goods company summarized the situation as follows: "The trend toward raising prices was the only reason to buy, so that the first days of application of the sales tax witnessed feverish buying. Now the stagnation has returned. Were it not for the sales and the holidays, goods would not have moved from the shelves at all. The items that have seen tremendous price increases are electrical appliances—especially televisions and ranges. Nevertheless, consumer interest in them has not stopped. There were also price increases in ready-made clothing and household appliances. Now we are suffering from severe sluggishness on the part of 90 percent of the people who visit branches and stores. They are just looking and prefer to wait for sales or public fairs."

On the other hand, food prices—the first concern of Egyptian citizens—are moving very cautiously, according to forces of supply and demand. So said 'Ali al-Jazzar, a fruit and vegetable merchant. "In other words, price increases take place only at the beginning and end of the season; otherwise, prices are moving normally. On the other hand, you will find fruit prices pretty much stable, even the earliest supplies of a particular fruit. For a few pounds, employees can obtain everything they need."

At the Ministry of Supply Investigation Division, Major General Muhammad 'Abbas, first assistant minister and director of administration; and Major General Safir Nur, administration deputy, did not deny that attempts by merchants to raise prices intentionally continue. "This is confirmed by the rise that the markets have witnessed during the past period, especially involving price-supported supplies and foods. The number of cases apprehended by the department during the two months following 1 August—18,000 supply cases—is enough to prove this statement." [passage omitted]

[boxed item] Supply Cases, by Numbers

In Cairo from 1 August to 10 October 1991, the Ministry of Supply Investigation Division and its branches in the governorates undertook intensive campaigns that covered all markets. The result was the apprehension of 18,000 supply cases.

About 4,000 tons of food and consumer goods, valued at six million pounds, were confiscated. These are divided as follows: 4,474 cases in the grain mills and warehouses sector; 5,125 cases for general stores; 294 cases of commercial fraud; 92 cases in the school equipment sector; 616 in consumer cooperatives; and 583 cases involving smuggling and storage of commodities.

The Ministry of Supply Investigation Division campaigns also apprehended 12,000 defendants who had been sentenced in supply cases. Fines collected from them amounted to 1.265 million pounds.

Production Projects To Be Established

92AF0221B Cairo AL-MUSAWWAR in Arabic
6 Dec 91 p 57

[Article: "Chemist 'Adil al-Danaf, Chairman of Holding Company for Metallurgic Industries Says: '1992 To See the Creation of Four Giant Projects To Bolster Egyptian Industry'"]

[Text] Chemist 'Adil al-Danaf, chairman of the Holding Company for Metallurgic Industries, told AL-MUSAWWAR magazine that 1991 will, God willing, see the implementation of several giant projects to bolster Egypt's metallurgical industries in Egypt. These include:

- a project for specialized steel aims at producing 150,000 tons of steel alloys for use in various engineering projects. A venture of the Arab Steel Company, formed with joint Arab capital according to Investment Law No. 230. It will cost \$120 million and will employ 750 specialized technical and managerial workers. It is to be built in the industrial section of Al-Sadat City and will take three years to complete.
- a new project to expand the productive capacity of the Iron and Steel Company to 1.5 million tons of molten steel, up from 1.2 million tons, achieved for the first time this year.
- a project to produce aluminum foil at the Egyptian Copper Factories Company. Its annual production target is 4,000 tons of aluminum foil to meet local demand for various applications, such as packaging and wrapping in electrical industries and others.
- an aluminum smelting project by the Egyptian Aluminum Company. Agreement on that project was signed with the French last week at a ceremony attended by Engineer Muhammad 'Abd-al-Wahab, Minister of Industry; the French ambassador in Cairo, and several high officials of the Ministry of Industry. Envisaged to be the largest aluminum smelter in the Middle East, the project will have an investment cost of about 800 million Egyptian pounds. It targets an annual production of some 60,000 tons, valued at about 525 million pounds at current world market prices. The project will substitute for current imports of smelted products and will, therefore, conserve foreign exchange and increase added value.

In addition, new industries will also be established to create new employment opportunities and increase the added value of those projects. The new project will create some 700 new jobs and will be recoverable over 10 years. The project will also engage in hot and cold aluminum smelting of products for use in the auto industry and confectioneries; for heat exchangers, boilers, modern irrigation controls, electrical parts; for use in the printing industry, in packaging and wrapping, and construction.

Opposition Discusses Wage-Price Balance

92AF0238A Cairo AL-SIYASI in Arabic 8 Dec 91 p 5

[Article by 'Adil Qandil and Ahmad 'Abd-al-Hakam: "Political Party Views Concerning Wage-Price Balance"]

[Text] The issues of wages and prices occupy the forefront of officials' attention on both the private and government level, especially after President Mubarak's recent statements to the effect that changing the wage structure and raising the citizen's standard of living was the number-one concern.

In this context, the People's Assembly's Economic Committee has finished preparing a new working paper on how to achieve balance between wages and prices, and the political parties have also begun to prepare their statements on the same topic.

To begin, Dr. Muhammad Ibrahim Dakruri, chairman of the People's Assembly Economic Committee, thinks that there is an integral connection between wages and prices on the one hand, and the national economic structure and its problems on the other, because the deficiencies in both wages and prices cannot be separated from the problem of the general budget deficit and the continuing gap between the monetary expansion rate and the real growth rate in the gross local product. The result is the generation of inflationary pressures. Also, the issue of wages and prices cannot be separated from the problem of the deficit in the Egyptian balance of trade and the balance of payments, since that involves negative effects on the exchange rate of the Egyptian pound against other foreign currency rates. In turn, this continually contributes to the rising costs of products in which foreign components play a major share, and to the rising cost of importing finished goods in general.

Dr. Dakruri adds that the rise in prices is constant and increasing, even though the reasons for this lie in objective factors, such as the absence of organized marketing institutions, the worsening of the situation by middlemen, the fact that [consumer] cooperatives do not play their role, and the rise in the value of certain commodities in international markets. However, inflating prices many times over occurs for fraudulent reasons whose purposes are to achieve a higher profit margin. The evidence for this is that prices of certain basic commodities in Egypt are higher than their world prices. With regard to wages, there are two problems.

The first lies in separating wages from productivity. A major example of that is the wage structure for workers in the government and the public sector, where wages of all workers are standardized, despite essential differences in jobs they perform. The wage system is concentrated on a rigid employment ladder, which is concerned with degrees or advancement based on educational qualifications and seniority, without regard to the worker's actual productivity. Furthermore, this structure suffers from another defect, represented by the fact that the system of incentives is regarded as a supplement to wages. This is aimed at patching the defects from which the structure suffers in terms of the declining value of wages as compared with other sectors, and the lack of rapid response to price changes. Consequently, the incentive is no longer given in exchange for increased effort or quality in production, nor has this been limited to just this one point. Rather, there is also a dissimilarity in incentives that certain governmental agencies grant to their workers, without any regard to the nature or type of job.

As for the second problem regarding the issue of wages, it concerns that clear disparity in wages among the various economic sectors, just like that clear disparity between the wages of workers in the government and public sector and workers in the private industrial, agricultural, and professional sectors.

The chairman of the People's Assembly's Economic Committee, Dr. Dakruri, emphasized several important proposals to reform the wage structure, including the need to link wages to price levels, provided that this is done in organized time frames and that efforts are made to eliminate the excess work force in the governmental sector, which burdens the state budget without any return from this bloated work force. This can be done through attrition and through other means proposed. There should also be a flexible wage structure, characterized by skill levels and compatible with the needs of the institution that applies it. Wages should not be tied essentially to a system that puts a price on diplomas or seniority, but rather, should be based on other indicators, such as actual production contributions or potential, natural aptitude, previous experience and training, and skills. The use of distinctive factors among wages should be reflected in the true criteria for production efficiency. The new wage policy should also include a similar policy for incentives paid for increased productivity.

As for dealing with the problem of prices, Dr. Dakruri sees a need for the Supreme Council to restore a balance between wages and prices, in addition to strictly controlling production quality, developing the distribution sectors' role, and stimulating [consumer] cooperatives' activities in order to eliminate middlemen. All of this will contribute to controlling the exorbitant rise of some commodity prices.

People's Assembly Deputy Thurayya [Labnah] (National Democratic Party) believes that differences in income

are likely and necessary, as long as this is justified by disparity in abilities and individual aptitudes for work, and by the acquisition of skills and experience through training. Deputy Thurayya Labnah calls for the government, when drawing up new workers' legislation, to consider reforming the defects from which the wage structure suffers, and simplifying the present system. Wages should be tied to a new functional structure, which would create a relationship between wages, productivity, and prices. Disparities between wages should reflect real distinctions in production efficiency. This would encourage increased production and stimulate the acquisition of skills.

Deputy 'Abd-al-Wahhab [Qutah] (National Democratic Party) stresses the need to deal with wage and price issues, in view of their mutual relationship. Increasing wages to counter the rise in prices leads to creating inflationary effects that work to invalidate any new wage increase. He added that controlling prices over the medium and long terms can be the same as increasing production.

Dr. Muhammad Hilmi Murad, the secretary general of the Labor Party and chairman of the party's Economic Committee, feels that the real solution to all our economic problems lies in increased production, especially a rise in production levels in the agricultural and industrial fields. Increased production, and the resulting increase in the supply of goods and in raising income levels, would end the need to continue the policy of subsidies, which is aimed at enabling citizens to obtain goods at prices commensurate with their incomes. Attention must also be paid to production in terms of quantity and quality, so as to fulfill the largest possible amount of the people's needs in foodstuffs, apparel, and medicine; and consequently, to control prices. Dr. Muhammad Hilmi Murad proposes a number of ways to counter inflation and lower prices, including pressure on government spending and pressure on private consumption, provided that that is not at the expense of the limited-income classes. The Labor Party's secretary general calls for a stop to the issuing of new currency for the purpose of satisfying the state budget deficit, and ending so-called deficit financing without any real increase in the gross national product. This leads to increased circulation of national money, inflated purchasing power in the country. Consequently, this causes prices to rise and fixed-income groups to suffer. This would require placing legal restrictions on the issuance of paper currency. Finally, a specialized price office should be established to follow up and study circumstances that occur, and to price commodities as required.

The leader of the Liberal Party, Mustafa Kamil Murad, sees a need to reconsider the wage and price structure to keep it in line with inflation rates and living costs. He added that wages are considered the profit of labor and are the most important production element, as well as the most effective in economic activity of various types. From this starting point, the wage structure is one of the most important indicators of costs of production and, at

the same time, prices. Therefore, the Labor Party's platform stresses a dynamic economy, which each year reconsiders the wage and price structure in order to tie them in with production and to keep them in line with annual inflation rates, because they have an influence on costs of living and on the psychological state of the citizens. The Labor Party's leader pointed out that government workers—who have limited incomes—represent production groups in fields of industry and services in the country. Therefore, the wage structure must be reconsidered annually and increased to keep it in line with inflation rates and the rising prices of goods and services.

Dr. Ibrahim Dassuqi Abazah, assistant secretary general of the New Wafd Party and chairman of his party's Economic Committee, believes that one of the most important causes of rising prices in Egypt in recent times is the state's general budget deficit and the implementation of the economic reform package. Work must be done to achieve balance between the state's revenue and expenditures, by increasing the former and compressing the latter. There are many ways in which to achieve this result, so that the citizens' situation becomes stable, enabling them to enjoy any increase in their wages. After achieving balance between state income and expenditures, an increase in wages would not cause an increase in prices, since, for the most part, the wage increase would be the result of increased production and available resources. Accordingly, the government must reduce its consumer spending, which is expanding in many areas, and strive for an increased share of public resources through direct and indirect taxes and fees, by dealing with its existing agencies' current inability to collect taxes and customs fees. They are capable agencies, but they lack the resources to enable them to completely fulfill their duties. They need reorganization, modern equipment, more stable policies and legislation, and incentives and training for their workers.

The chairman of the Wafd Party's Economic Committee added that even if the most important factor in increased prices—the budget deficit—could be overcome, one should not ignore the need to develop the production apparatus itself, so that it would be possible to increase the goods in the marketplace needed by the masses. Moreover, the mis-distribution of national resources to production sectors, in accordance with their importance in terms of the masses' demands, has led to certain industries enjoying major attention, with increased spending on them and increased production resulting in accumulating stockpiles of those products. All this comes at the expense of other industries, upon which demand is now increasing, but which are unable to meet that demand. Accordingly, the door has been opened for importing similar products from abroad, and our limited foreign currency resources are being wasted. This inability to distribute investments to various national industries, and the neglect of agriculture, have resulted in choke points for certain commodities and, consequently, a major rise in prices.

The chairman of the Wafd Party's Economic Committee, Dr. Abazah, underscored the point that price stability was something all people could benefit from, especially the poor and limited-income classes. Rising prices are, in fact, a constant tax borne by those classes, while merchants, businessmen, and capitalists profit from them. While the real income of workers and limited-income classes decreases, the profits of merchants and capitalists increase. Therefore, rising prices make the poor poorer and the rich richer, at a time when the phenomenon of rising prices in many countries has receded. However, it has continued here in a bad way. The percentage of price increases in Egypt has been considerably higher than in most European countries, despite the considerable disparity in income levels between Egypt and those other countries. Dr. Abazah stresses the need to link wages with prices in order to counter the continuous increase in the cost of living resulting from a constant rise in prices. In this way, a minimum standard of living could be ensured for the many limited-income groups and, at the same time, one of the important causes of the unrest prevailing in the community could be eliminated.

Dr. Isma'il Sabri 'Abdallah, the economic expert for the National Progressive Unionist Grouping Party, thinks that high prices in Egypt are not attributable to world inflation as much as they are to many domestic factors, led by the burden of war, development, and reconstruction. All of these are funded by loans granted by the state central bank and not by real savings. This throws more money into the hands of contractors and merchants without producing the equivalent goods and services. He pointed out that urgent confrontation of the problem of high prices—which is escalating and continuous with regard to the various classes' standard of living—requires a number of other immediate measures, including:

- Stop resorting to inflationary financing methods, such as the state borrowing from the central bank to finance current and consumer expenditures.
- Stop individuals from importing foodstuffs and consumer materials, restricting that to the state.
- Intervene with a system of compulsory pricing for foodstuffs and essential consumer goods in order to protect the consumer and limit profits.
- Continue the system of subsidies for essential goods, and compel the state to always intervene on the side of the broad masses of the Egyptian people.
- Raise the minimum wage and increase salaries in general.
- Link changes in wages to changes in prices, out of a concern to put an end to high prices and to stabilize prices.
- Eliminate the middlemen in the public and private sectors, both in production and domestic commerce, and establish a direct link between the production or importing entity and the distributor.

Article Analyzes Unemployment Issues

92AF0221A Cairo AKHIR SA'AH in Arabic 24 Nov 91
pp 24, 25

[Article by Muhammad Najm: "Returning Unemployment"]

[Text] Question: Could the emigration of Egyptian workers be an answer to the unemployment problem in Egypt?

If the answer is in the affirmative, then how about the mandatory, and persistent, return of such workers lately? How can they be absorbed into the Egyptian economy without worsening current unemployment levels?

In search of such answers, and in order to develop a clear and consistent semblance of a "policy" on the emigration of Egyptian workers abroad, the Ministry of Manpower and Training, in cooperation with the International Labor Organization, held a seminar that attracted a large number of specialists. The function was organized by Mrs. Raja' al-'Asqalani, Director of Central Management Administration, and moderated by Khalid Tahir, First Undersecretary of the Ministry [of Manpower and Training]. Discussions and research papers dealt with the primary theme of "A National Policy To Organize Emigration of Egyptian Workers." Participants in the seminar also touched on other subjects, such as the current status of the labor market in Egypt and its impact on foreign emigration trends, conceptualizing an emigration policy, and means of absorbing repatriated workers into the national economy.

Statistics, Statistics

Research papers submitted on the current status of the domestic labor market revealed a number of significant facts. Of 11.380 million employed, according to the most recent 1986 census, 22 percent worked in the government sector, 11 percent in the public sector, and 66 percent in the private sector.

The rate of unemployment is rising among those with middle and high qualifications, and is estimated at between 24 and 28 percent. Urban unemployment, at 12 percent, is higher than rural unemployment, at 9 percent. Unemployment among females, at 24 percent, is more than double its rate among males, at 9 percent.

The number of Egyptian expatriate workers prior to the Gulf crisis was estimated at two million. Figures released by the Ministry of Manpower in January 1991 show that some 400,000 workers returned from Iraq, Kuwait, and Jordan in the wake of the crisis. Of those, 232,000 workers, or about 50 percent of all repatriates, returned from Iraq; 158,000, or about 34 percent, returned from Kuwait; and 70,000, or 15 percent, returned from Jordan.

The private sector accounted for 94 percent of the returnees, the government sector for 5 percent, and the public sector for a mere 1 percent.

Researchers reached the significant conclusion that temporary emigration cannot be considered a fundamental solution to the unemployment problem in Egypt, since, by its own nature, this emigration is repatriatory, as proven by recent developments.

It was surprising that Drs. Muhsin Tawfiq and Muhammad Na'man, both professors at the Center for Research and Studies in Higher Education, would both surmise that the problem did not primarily lie in the lack of employment opportunities per se. Rather, qualified professional cadres were not properly directed to available openings. Research by both professors proved that demand for certain workers exceeds accrued unemployment. This means that certain professions suffer unemployment, while other specialties have openings that exceed reported unemployment rates!

Discussions also revealed that unemployment in Egyptian society was not the only problem in the domestic market. A larger problem will develop as a consequence of economic reform measures, especially in the short term. Dr. Layla al-Khawwajah, professor on the Faculty of Economics and Political Sciences, said in her paper on the current status of the Egyptian labor market that the face of the Egyptian economy will be affected by the economic reform program intended to fight inflation and limit the budget deficit.

The International Labor Organization estimates that Egypt will have a population of 64 million by the year 2000 and that human resources will rise at an annual rate of 3.75 percent, to about 19.1 million workers by the end of this decade.

A comparison with the current labor force of 14.6 [million] indicates that the Egyptian economy needs to create some 4.5 million new jobs, or between 500,000 and 600,000 new jobs annually. This contrasts with a past accomplishment of only some 350,000 new jobs per year at the height of economic prosperity.

But how about the different sectors? Dr. Layla al-Khawwajah says that studies by the World Bank indicate that the rate of excess employment in the various production segments of the public sector varies. It is, therefore, necessary to reorganize and re-allocate labor to the various segments in a manner that would permit assigning excess labor to operate idle productive capacity.

The economic reform program aims at reducing government ranks from 4 million to 3 million workers and employees [through] a freeze on new appointments, attrition, and incentives for resignations and early retirement. Furthermore, the government, rather than delaying in putting the graduating classes on its payroll, should declare instead that it will abandon that [employment] policy altogether.

Dr. Layla al-Khawwajah concludes that the economic reform program shall necessarily lead, especially in the short and medium terms, to a higher rate of overt

unemployment in the Egyptian economy, either because the number of public sector and government workers will be reduced, or because the private sector will be unable to create new employment opportunities to absorb the increasing ranks of the unemployed.

In the long range, assuming that the program is a success, the rate of growth will rise to 4 percent and the rate of unemployment will be 14 percent of the aggregate work force, a total of 3.3 million unemployed workers.

It seemed to her, therefore, that emigration should be among the primary medium-term measures to make up for the Egyptian economy's diminishing ability to create employment opportunities for the expanding work force. She also raises a number of questions, such as whether emigration trends will depend on the economic needs of host countries, on political relations, or on security consideration? What new Arab markets can be opened to Egyptian workers? What current markets could increase their rate of absorption? What is the role of Arab organizations, and especially the Arab Labor Organization, in devising an acceptable framework for the movement of Arab labor?

Characteristics of Returning Workers

Warranted pessimism aside, how can returning workers be absorbed as a new force to drive the Egyptian economy? The answer is provided by Dr. Najla' al-Ahwani, a professor on the Faculty of Economics and Political Sciences, who begins by defining repatriate attributes. She says that Saudi Arabia was an surprise, and that workers who returned after the Gulf crisis had been divested of their properties, funds, and other savings.

The Ministry of Manpower and Training conducted a professional survey of returnees from Iraq and Kuwait. They were given forms to fill out and return to the nearest employment office. The survey indicates that some 400,000 workers returned from those two countries in mid-January 1991, and that most of them came from Iraq, where they were employed without any organization by the private sector there.

Repatriate workers are mostly male, of age groups that are economically active and capable of work. Most of them originally came from the governorates of upper and lower Egypt and were not tied to government or public sector jobs. They are primarily low-level farm, trade, and technical workers.

The numbers of returning workers, either in the mid-eighties or in the aftermath of the Gulf crisis, and the compelling pressure they put on the labor market in Egypt, give rise to the fundamental question of how to absorb them and provide them with productive jobs.

The problem, in her estimation, lies with investments and the degree to which they are available. She therefore

advocates a pattern of societal self-employment, especially in light of the increasing trend to liberalize the Egyptian economy.

On the policies and measures that must be adopted to absorb these returning workers, Dr. Najla' al-Ahwani wonders: First, insofar as foreign employment (emigration) is concerned, and in light of developments in the region, can one continue to depend on foreign markets to absorb large numbers of the unemployed or those who seek to better their lot? For instance, can Kuwait be depended upon to re-absorb those who used to work there, in light of changing demand for expatriate workers, of its desire to shrink the population of foreign workers and residents, and of new productive techniques to be utilized in rehabilitation and reconstruction?

What is the projected demand for Egyptian workers by other Gulf states, in light of Gulf war developments and impact? What is the probability that more Egyptian repatriates will be returning from other Arab countries?

What are the chances of absorbing Egyptian workers in the Libyan market, now that the two countries have re-opened their borders and signed agreements on the employment and movement of labor in each country? In light of the past experiences of the two countries and of their disparate laws and systems, how difficult will it be to settle some million Egyptians in Libya and to create jobs for others?

As far as domestic employment is concerned, and in light of returnee attributes, it seems that those who were formerly employed by the public sector in Egypt before their departure will be facing real problems with the liberalization of the Egyptian economy and the shedding of excess workers in the public sector. This highlights the importance of re-training for other jobs more appropriate to the needs of the Egyptian economy.

Repatriates who worked for the government before their departure are not great in number. Most of them worked in health and in education, and their services are acutely needed, especially in undistinguished and neglected governorates, which suffer a deterioration of such services.

Many obstacles will impede domestic absorption of repatriates formerly employed by the private sector in Egypt.

The construction sector is in an obvious downturn following a period of boom in the seventies and mid-eighties. It would be difficult to rely on this sector to absorb repatriates and unskilled workers.

The farm sector likewise suffers from weak investment allocation, as well as high rural unemployment rates, which limit its ability to create new jobs.

This brings us to the ability of the private sector to absorb a large number of workers in its land reclamation projects and other enterprises, as well as its ability to attract and employ a number of repatriates in new

habitation projects and in populating the Sinai, the northern coast, and the Red Sea coast.

There are also light industries and vocations which have the ability to create many employment opportunities, since they are, for the most part, labor-intensive and demand less capital than large and medium-size industries. They also feed on available local raw materials and it is not costly to train workers for them.

Dr. Najla' al-Ahwani emphasizes the need for cooperation among all Egyptian agencies concerned with employment and emigration, and for an integrated research team to work with those agencies on a strategy to absorb returning workers.

New Emigration Policy

If the preceding describes the current status of the labor market in Egypt, then how about foreign markets and their ability to absorb new Egyptian workers?

Dr. Salwa Sulayman, professor on the Faculty of Economics and Political Sciences, points out that one must first research the reasons behind the return of Egyptian expatriates. The host countries enjoy low oil prices, widespread education, female workers, modern technology, and completed infrastructures.

She believes that the work force is a national product and that new policies must, therefore, be instituted to organize temporary emigration in search of economic betterment.

Dr. Raja' 'Abd-al-Rasul warns that any new policy to organize temporary worker emigration to the Gulf must be preceded by a study of the Gulf labor market, its nature and characteristics, and the factors that impact it; as well as its recent developments, current status, and future horizons.

ISRAEL

Profile of Jewish Intifadah Activists

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[Article by Ya'el Gevirtz and Roni Shaked: "A Jewish Intifadah"]

[Text] At the end of last week, permission was granted. The "Jewish Intifadah"—the unofficial term that the spokesmen for the settlers chose to describe their new modes of operation—began with a broad consensus, which united a certain public that is worn out and confused. It ended Gush Emunim's long autumn and gave birth to a new balance of terror in the field. Stones were thrown at vehicles of persons from Qiryat Arba—who were returning from a trip to encourage the members of Ma'aleh 'Amos, near whose settlement there had been gunfire. The convoy halted, and they "took care of" a house from which stones were thrown. According to

Tzvi Katzover, the chairman of the Qiryat Arba council, who was present, "not one pane of glass there was left intact."

"Previously," explains Katzover, "we would get away from the place and make a report to the army. Now, we respond immediately. From now on, our forces will sweep the area. We will not wait any more for the IDF [Israel Defense Forces]. If the IDF is incapable of protecting the Jews, it will have to arrive in the field and act in order to protect the Arabs."

Rabbi Elyakim Levanon, the rabbi of Alon Moreh, who is active in the organizing of the settlement rabbis that first gave permission for protest actions, explains the new concept in this way: "I and my fellow rabbis have acted for a long time as a restraint on the hard feelings among the population. For four years, we kept our heads down and supported self-restraint in the face of the attacks on our people. I am the one who in the past halted at the settlement's gate comrades who wanted to go out and commit extreme acts. But as the situation has deteriorated from the stone to the knife, from the knife to the incendiary bottle, and from the incendiary bottle to the rifle, a new situation has developed. The residents are pushing in the direction of action, and we decided that the preservation of life requires a protest."

Between Tzvi Katzover and Rabbi Elyakim Levanon there is a broad and tense range of commentary, all of which relies on the gray line of the law. Rabbi Levanon indeed emphasizes that the rabbis' approval does not in any way include taking the law into one's own hands. It is permissible to open up a road that has been blocked, for example, but it is completely forbidden to break windows and to damage automobiles.

But from the moment that permission was granted, it is difficult to talk any more about control. The rabbinical permission as stated was exploited for the purposes of the struggle. In the Jewish settlements, 60 percent of whose residents are not religious, this permission is regarded only as a supporting document. A kind of additional approval.

"The recent months, in which they shot at us daily," says Benny Katzover, the chairman of the Shomron Regional Council, "created an insufferable pressure cooker. I do not recall any period like this one. The situation is boiling. Every evening, someone returns to his settlement and tells about shots on the way. Rumors are spreading like wildfire and the pressure is building up. We attempted at the beginning to direct these pressures into positive channels, like the yeshiva at 'Rahelim.' But that action did not bring forth the desired answer. The political level has not grasped that we will not turn tail and run, and it did not implement its promise to change the instructions for behavior in the field when there is a transition to firearms.

"Therefore, when the first wave of shots at the entrance to our house began a week ago, we had no choice but to go to our public and to tell it that, from now on, we will

have to respond ourselves. To go into the field and to act in order to defend our security, because we have been abandoned. That is the only way for us to control the pressure and to prevent an explosion, on the one hand, and to shake the system and to cause it to act."

Fear reigns on the way to Alon Moreh. The olive groves, some of which were uprooted by the residents and others by the IDF, constitute the appearance of the future battlefield in Samaria. The new immigrants from Peru are the ones who completed the sawing and the uprooting. They made their modest contribution to the protest. A single cypress that stood there was destroyed after a short discussion of the question whether it could serve as cover for the Arabs. Leave it alone, it does not bear fruit, someone suggested. In the end, the tree was cut down, after it was agreed that it could perhaps be of benefit by providing shade in the summer.

After the uprooters came the planters from Ratz and Mapam. Katzover himself went to the field and uprooted the seedlings and brought them to the square. The residents planted them in their backyards. They left, returned two days later with 30 new seedlings, which were uprooted an hour later. But they also admitted that they had not sought the permission of the Arab owners to conduct the campaign of plantings and uprootings on their plots.

The media reported. The army looked on. Katzover asserts that the army applauded the uprooters. The wife of an IDF colonel contacted the offices of the Judea-Samaria-Gaza Council and requested that Katzover leave the IDF out of the political debate. It is too late, they replied, the IDF is already involved.

"We Have a Wonderful Division Commander"

On Tuesday, in the morning, a veteran wanted person, one of the commanders of "The Black Panther," stood in one of the alleys in the center of Jenin and aimed his pistol at a foot patrol of Border Police. The chamber of the pistol held a 7.62 mm cartridge. Luckily, it was a dud. The commander of the patrol was quicker than the terrorist, and the latter was wounded and captured.

The night before, a burst from an "Uzi" was fired at an IDF patrol in the village of Mitlun, which also is in the Jenin district. On Saturday night, several bursts were fired at Ma'aleh 'Amos in the Bethlehem district. In Qalqilya, terrorists fired at an IDF base and threw a hand grenade at Border Police bases [as published]. On Monday, two explosive devices were discovered and dismantled. On Wednesday, shots were fired at an IDF observation post in Jenin. More than 15 incendiary bottles were thrown at the beginning of the week alone.

There is no dearth of weapons and ammunition in the territories. Tens of armed wanted persons, many of them with IDF weapons, are at large. They are not afraid of going about openly with the weapons in the population centers. The members of the Fatah lead in the amount of organizing and the "ordinary" attacks. The "special"

attacks are carried out by the members of the Popular Front and the Islamic Jihad.

The settlers carried out the opening shots of their revenge operations in Ramallah, Hebron, and Halhoul. They vented their anger on the windows of Arab houses and automobiles. Unlike the past, this was not a stealthy infiltration by some hot-headed individuals, but an organized operation by a broad public among the residents of Bet-El, Pisgot, 'Ophra, and Hebron. Actions that were intended to force the IDF to act immediately. "When we have no security," they said, "the Arabs also will have no security. When we have no routine, they also will have none."

This violent dialogue with the area was carried out, as it were, over the head of the IDF. But Tzvi Katzover, who participated in this retaliatory operation, took pains to note that "we have a wonderful division commander." The IDF's hands are tied by the government, say those who drew up the Jewish Intifadah, and we will untie them for it.

"To these activities," clarifies Ephrayim Me'ir of Bet-El, a central activist, "went the most moderate of the moderates, the real fruit of the spontaneous internal ferment. The law has ended here. From now on, they will see the law according to our ideological conception, and that means that if there is a clash between the laws of the state and the laws of the Torah—we will prefer the laws of the Torah. As the state has violated the basic law of the defense of the rights of the citizen, we will help the state today to protect us.

"We are waiting in the corner for the army. Our people will settle every observation point that the IDF abandons. We will begin to carry out regular patrols on the roads, and we will secure the arteries. We will conduct surveillance and searches for stone throwers or those who might throw stones. We will mark houses from which an act was carried out, and we will bring the army there. We will close such places until the IDF appears. We will open up arteries that were closed during the years of the intifadah.

"When there is a serious event, we will concentrate large forces in the area, and we will block roads until we have seen that there is appropriate military activity. We will establish settlements. I want to emphasize that we are not talking about Falanges. This is not an emotional release and not a loss of control. Firearms will not be used. No one will be hurt. There will be no underground, because there is no longer a need for an underground when everything is done with broad and open approval."

The IDF and the Shabak [General Security Service] are devoting tremendous efforts to the struggle against the terror squads. Hundreds of initiated actions are being carried out every month by Arab-guise units and other units in the refugee camps, in the cities and in the villages. The public is not aware of many of the operations.

The forces in the field were reinforced this week. The IDF mobilized senior officers for calming and public relations operations and published its data on firearms. It was reported that more than 500 Palestinian terrorists were apprehended in the territories over the past year. They held 27 hand grenades, five rifles, eight pistols, six mines, seven explosive devices, one heavy machine gun, and heavy ammunition. And this, it was made clear, was only the tip of the iceberg.

During Hanukkah, the residents handed out donuts and hot coffee to the soldiers. They tried to stress the feeling of "we are from the same village," partners in a war of no-alternative, brought together by the government. A war of IDF against IDF, Yossi against Yossi.

But the IDF was forced this week to use warnings by a senior officer that "the army is losing control over the settlers and fears an escalation in confrontation, that will include revenge attacks on Arabs, confrontations with the army, and a general increase in tension."

Where Are Weiss and Levinger?

He were mistaken to look for Daniella Weiss, Rabbi Levinger, or Benny Katzover at the head of the new policy. In the settlements, even the activists found it hard to see who are today's members of the secretariat of Gush Emunim. The old leadership did not arrive intact at its hour of trial. Many also criticize it for not having seen this hour approaching. Daniella Weiss paid the price of legitimate leadership for the night of the bottles of May 1987. So, too, did Rabbi Levinger for taking upon himself the initiatives to introduce law and order. Katzover lasted longer than the others and admits that this was due to "this table," the table of the Samaria Regional Council. Today, Katzover, too, admits that he does not bring 20,000 persons down to Qalqilya with one call, as was once the case.

"Those who are not active," says Katzover, "are, in the nature of things, forgotten. It should also be remembered that once we carried on the struggle with only several thousand persons. Today, we are talking about a public of 120,000 persons of many trends. We have not been a kibbutz for at least 10 years. As long as the common activity continues, I assume that there will also crystallize a leadership group, which will unite part of the historic leadership with the local leadership."

"If Katzover comes to us today," says Ephrayim Me'ir, "and seeks to tell us how to act, we will show him the second seat in the third row and tell him: 'If you want to participate—sit down and be part of this public.'"

By the way, the heads of the former underground refuse to express their opinions in public. Menahem Livni, who has gone down into "a voluntary underground" since his release, refused to be interviewed for this article, but he said that he was considering the publication of his position in the near future.

The representatives of the settlers held many meetings this week with the political and the security levels. Who did not meet with whom. Aharon Domb—Domfa—one of the prominent spokesmen of Judaea, Samaria, and Gaza, says that "the cow wanted more to suckle than the calf wanted to suck." The theme of "there is no one leadership" is playing, for the time being, into the hands of the settlers, and they are happy to stress it.

The Central Committee of the Judaea, Samaria, and Gaza Council is bustling with activity. You can feel the adrenalin. They are working joyfully on the two levels—public relations and the new one, "security." They are putting out papers on "Know the Enemy," which include explanations about the intifadah and reminders that the political solution will not include compensation, in order to increase as much as possible the number of settlers who get onto the protest wagon. The lack of leadership has been exchanged for feverish coordination and an efficient reporting network.

The loss of control, like the use of the concept "Jewish Intifadah," today constitutes part of a new approach of courting the media. They have assigned the media the role of reporting the crystallizing balance of terror. The stickers against "hostile media" have disappeared from the field.

The media were invited this week to the first action of "opening a closed artery" in Mizra'at e-Sharkiya. The spokesmen announced that the settlers would arrive in the field in large numbers, equipped with heavy moving equipment. In fact, it turned out that a very small event was involved. The convoy included three carloads of settlers who departed from 'Ophra. Behind them trailed cars of the media. The vehicles stopped at the village for a few moments, distributed information pamphlets in Arabic to several passersby and hurried to leave the place.

The entire action took no more than five minutes. At the end of it, the rabbi of Bet-El, Benny Alon, the son of Supreme Court Justice Menahem Alon, noticed three Arabs engaged—on the orders of IDF soldiers—in taking down a PLO flag from an electric pole. He asked them to move, went up himself, and removed the flag.

This example clarifies the present stage of organizing. The stage of verbal intimidation. The stage of the warnings. Afterwards, they all admit, God is great.

Benny Katzover, wearing his establishment political hat, says that he is not enthusiastic about the expression "Jewish Intifadah." His brother Tzvi says that he actually likes this expression. "The men of Samaria were always more delicate, intellectual, and high-minded than we," he says. "There is a hot-blooded public in Qiryat Arba. A public with principles. A public that is ready not just to talk. We will pay them back in kind for every damage that they do to us. I do not believe in coexistence and I also called for collective punishments. If we have a chief of staff who uses tweezers, my job is to act."

Where do you stop? "I, in any event, oppose deviations. Not that."

Healthy Feelings of Depression

The psychologist Tzvi Moses heads the institute in K'dumim called "The Psychological Center for Stressful Situations of the Samaria Regional Council." This is a center that was established a year ago along the lines of the center that the psychologist Dr. Muly Lahad established in Qiryat Shmoneh during the era of the katyushas. The goal: coping with pressures, fears, depressions. The institute was established during a controversy over whether it was correct to recognize and admit the existence of fear due to the ideological dilemma.

In fact, the "institute" in K'dumim is Moses and two part-time female assistants. He reports that in recent weeks the calls have multiplied greatly. In an article that he published in the internal newspaper, Moses suggests to the settlers that they avail themselves of the center and that they pay attention to "the little details." "In difficult moments," he writes, "the body signals us about the existence of distress and fears, so that psychotic phenomena such as stomachaches and headaches are definitely to be expected. The tension is liable to intensify angers and family quarrels in the settlements and at work."

"Until the shooting," says Moses, "I had the feeling that there existed in many of the settlers a denial of reality in favor of ideology. This was noticeable also among the children. They spoke of fears, but out of a deep identification with the way and with the parents. In my opinion, there is now a transition from denial to excessive anxiety, but there is still a certain emotional denial concerning the fact that they are deliberating there about our fate.

"The shooting, in a paradoxical way, made speaking about the fear more legitimate. Our message is: determination and openness and also an attempt to stress the aspect that the developments are not necessarily to our disadvantage. To remind that people develop in situations of crisis and pressure. Not to see the political reality only in black and white."

[YEDI'OT] Benny Katzover asserts that his way of relieving the pressure is to allow the people to go into the field and respond. Is that also your recommendation as a clinical psychologist?

[Moses] It is true that we have to do something, but the doing must be more symbolic. After the murder of Tzvi Klein, I wrote to Katzover and others and argued that what has to be done for prevention is to educate the public to primary responses more in the direction of mourning and successful control over emotional reactions. In my opinion, the settlements are strong enough today to absorb "softer" people, as well, and to accept solutions that are not always unequivocal. That is a mature response. But I admit that in this matter I am in a controversy with them.

[YEDI'OT] Where will the increased pressure in the settlements lead, in your opinion?

[Moses] There will be waves. The attacks push people down. The gaps in between lift them up. The fluctuations are between these two poles. All in all, I regard the feelings of depression as healthy. More than the reactions of rage, which, in my opinion, are not at all healthy. The response of the settlers at Rahelim appears to me to be quite a reasonable "action," but the explosions in Ramallah worry me.

They Took the Honor, As Well

The defense establishment is seeking to calm the settlers. As a result of their pressure, the curfew on the cities of Ramallah and El-Bireh was extended. More than 60,000 Palestinians were under curfew for 15 consecutive days. The military command accepted the suggestion of the minister of defense to declare an area of 150 meters on either side of the roads, in the open areas of the West Bank, as a closed military area during the hours of darkness.

Pressure from the settlers also resulted in the moving up of a big initiated operation in the 'Ascar refugee camps near Nabulus. Intelligence sources were dissatisfied with the timing and by the operation, which was accompanied by a big media noise and mediocre practical results. The most wanted persons, the members of the armed squads, were not apprehended. Commanders admitted that the results would have been better without the pressure from the settlers.

Jamil Anwar Alqurdi, 47, is one of the residents of Ramallah whose car got the treatment from the settlers. "We were under curfew for 15 days," he says, "I lost a lot of money. All the merchandise in my flower shop died. Last night, the settlers came and busted my car. Damage of more than 1,000 shekels. For the coming of peace I would pay with my eye. Why do the settlers do that? Only a month earlier, I took an olive branch in my hand and gave it to soldiers. Enough, enough with the problems. We want to live each one in his place.

"The settlers busted the cars with stones. There was chaos. The police told us that if there would be a trial, we would have to come and identify them, and perhaps afterwards, if they were guilty, we would be compensated. Empty words. Who will convict them in court? I only pray to God that he calm down the settlers. If they want to live with us, God must calm them and they should leave us a little honor. Now they have taken the honor. And a man without honor can even kill."

"The time has come," says Ephrayim Domb, "for the left to know clearly that on this issue we will not give in to them. The Arabs are slaughtering us with the aid of our brothers from the left. If in the past we said that the left will bark and the convoy will proceed—today we say that if the left will bark, we will roar next to them. Soon we will stand next to Yossi Sarid's house and do to him what the left did to Begin during the Lebanon War. We will

point fingers at the shedders of blood. There will be a verbal civil war here, but we will not open fire on the men of the left."

The settlers sat in Silwan and Hebron this week protected by bubbles that were set up under government sponsorship. Somewhat far from the awakening in the rest of the settlements. A strange routine. Close friction from a shooting distance. Yonit Avihazar, 26, originally from Qir'on, the mother of three (the fourth is on the way), is active there on the new women's committee. Her children are not afraid, she says, they know that God watches over them and that daddy has a gun.

The adults, she says, are afraid. The future is troubling, because of the IDF's bound hands. She cites many instances in which the IDF and the police arrive at the place "only in order to protect the Arabs." "Not long ago, stones were thrown into the neighborhood. We alerted the security forces and they did not arrive. We went out to the market and made a little chaos and they arrived immediately."

The committee that she heads is involved, according to her, mainly in reporting to the army command, the minister of defense, and the members of the Knesset about deviations by the Arabs from arrangements that were established in the market that borders on the neighborhood of Our Father Abraham. The undeclared goal is to expropriate the market for the benefit of the neighborhood, and, after all, it is "Jewish land that was stolen in 1929" anyway. The practical goal, says Avihazar, is to cause the locals to fear the settlers more than they fear the Hamas.

How will you make the Arabs fear you if they are not afraid of the IDF? It is a fact, she says. If a truck that exceeds the allowed amount enters the market, and a soldier tells the driver to move it out, the driver spits on him. We tell them to beat it and they simply leave, without an argument.

"When I came here, I was very much against taking the law into one's own hands. After a year and a half here, I understand that the only way that they will fear me more than the Hamas is by taking the law into my own hands. By breaking windows after an event or the blocking of a road."

Goren: This Will Lead to Anarchy

Shmu'el Goren, who was coordinator of operations in the territories, said this week that "the acts of the settlers serve the extreme elements, who want to cut themselves off from all connection with Israel and to escalate the violence. If the wave of attacks on the part of the settlers continues, it will eliminate any chance for coexistence. Security must remain the responsibility of the security forces, otherwise this will lead to anarchy."

Dr. Ephrayim Sneh, who was head of the Civil Administration in Judaea and Samaria, also warns that the sharpening of relations between the settlers and the

Arabs is liable to bring about the Lebanonization of the territories. "The settlers are actually those who determined the location of the settlements, and not from considerations of 'where will it be less of a security burden on the IDF.' They chose to settle in many places where they generate friction with the Palestinian population. They impose themselves as a burden on the security forces, and the moment that someone voices the slightest sign of discomfort, they demand that they be allowed to defend themselves.

"They want to end up with independent militias and the Lebanonization of the field. Lebanonization of the territories is liable to bring about the demand for the stationing there of an international force, similar to what has been done elsewhere in the world. The paradox will be that it will be precisely the settlers who will cause a foreign army to deploy in the territories."

This week, in the center of Ramallah, the minister of defense received a security survey. The general of the area command, Dani Yatom—the duty "marked man" of the settlers—made a comment to one of the commanders, who had expressed himself optimistically. "Let there be no illusions," said Yatom, "we cannot know what is going to happen in the next three or four hours."

Finance Minister on Inflation, Absorption, Building

92AE0144A Tel Aviv YEDI'OT AHARONOT in Hebrew
20 Dec 91 pp 4-5

[Article by Yaron London on interview of Finance Minister Yitzhaq Moda'i: "Now We Are Fat; If It Gets Bad, We'll Have To Slim Down"; place and date not given]

[Text] [YEDI'OT] Mister Minister, the newspaper has sent you a complete ignoramus in economic affairs. Explain to someone like that what you did this week to the exchange rate.

[Moda'i] If you are a complete ignoramus, I must first explain to you what is an exchange rate. We trade with many countries in the world, selling and buying. So that we will have the means for purchases, we must sell and compete with manufacturers in other countries.

Let us assume that at the beginning of the year the price of a product here is the same as the price of an identical product in a country that is competing with us. Then our manufacturer is capable of competing on equal terms. But here, prices rise 16 percent a year, while in the European country where we are competing, the prices rise only 5 percent.

What does this mean? It means that by the end of the year, the price of the Israeli product has gone up 11 percent, and, of course, the Israeli manufacturer then finds it difficult to sell his products. What does one do? As long as we do not succeed in lowering inflation to the

level that is customary in the countries that are competing with us, we carry out devaluations occasionally. We say that as of a certain date, our shekel is worth fewer dollars, and then the prices of our products become cheaper in terms of the dollar. Understood?

[YEDI'OT] So far.

[Moda'i] Nice. In the past, we would regulate the relationships of the currencies by occasionally devaluing the shekel by 5 percent. But since January 1989, the government instituted a method of automatic control. The exchange rate is not reduced suddenly, but rather changes daily according to the supply and demand for foreign currency. If there were a great demand for foreign currency, the dollar would be more expensive, and if the demand diminished—the dollar would be cheaper.

This seesaw is a mirror, albeit somewhat distorted, of the relationship between exports and imports. It is clear that if imports increase, the need arises for more dollars, and then their price goes up.

[YEDI'OT] Where are the incoming and outgoing dollars counted?

[Moda'i] In the Bank of Israel there is a room called the dealing room, and there they tally the demands and the supplies according to the reports of the banks. The dealing room makes up the shortfall or takes the surplus. If it takes the surplus, there is a revaluation; and if it makes up the shortfall, the dollar becomes cheaper.

[YEDI'OT] Very nice. So why was it necessary to change the method?

[Moda'i] Because this method was good only in the event of small fluctuations in the exchange rate. But it is not enough when the inflationary pressures build up, and then the Bank of Israel must devalue the shekel to a greater extent.

We allowed the Bank to raise and to lower the exchange rate within a range of 5 percent of the median price, and in the end, that, too, was insufficient. About every six months, we had to devalue the shekel by several percent, in order to adjust our economy to differences between the rate of inflation here and in Europe.

[YEDI'OT] That, too, sounds well and good.

[Moda'i] No, that is not good, because the rules of human behavior enter into this game. If there were a fixed date for a devaluation at a rate known in advance, individuals and firms would hoard dollars up to the date of the devaluation, would sell them immediately afterwards, and would earn the difference in shekels. Therefore, the Minister of Finance never announces the date and the size of the impending devaluation.

[YEDI'OT] An excellent strategem.

[Moda'i] A necessary strategem. But it, too, causes severe problems, because the public gambles and the Bank of Israel hurries to raise the interest rate so that those who borrow money to buy dollars will not make easy profits at public expense. This was the reason for the recent increase in the interest rate.

In this situation, the exporters and the importers are not able to plan their business, and they never know if they will make a profit or show a loss.

I am describing things in very simple terms. But to tell the truth, they are really much more complicated. For example, the dollar is not the only currency in the world, and the relationships between the foreign currencies themselves also change. Think of the situation of an exporter, who buys raw materials in America, in dollars, and sells finished products in Germany, in marks—what a constant headache he has.

[YEDI'OT] And have we now arrived at a solution?

[Moda'i] Yes. We have built a curve, which goes between our inflation rate and the rate of inflation in Europe. We assumed that the difference will be between 11 and 12 percent per year, and we are therefore announcing in advance that over the coming year there will be a devaluation of this amount.

[YEDI'OT] Is that not a self-fulfilling prophecy? If I were a trade union leader, I would refuse to sign a wage agreement that does not take into account the inflation that you are predicting. But I assume that I would demand guarantees of compensation in the event that your forecast proves incorrect.

[Moda'i] I am not worried about that, because there are surpluses in the labor market, and no wage agreement will hold up in the face of reality.

[YEDI'OT] Were I a contractor, who sets the price of an apartment according to the price on the day that it is completed, I would take the same approach.

[Moda'i] A contractor asks for the highest price that he can get, and this price is determined by the price at which the competing contractor is willing to sell. If the competing contractor believes in the government's forecast, you will be left holding the keys to the apartment. This holds for all of the manufacturers, those who compete in the domestic market and those who compete in the international market.

[YEDI'OT] But you did not begin to go up the curve that you built at the point where you were the day before you introduced the new method. Instead, you jumped immediately 3 percent. Why?

[Moda'i] Because the exchange rate for the dollar was then 1 percent above the mid-point, and that opening position would have allowed the Bank of Israel to carry out a revaluation of 6 percent. I did not want to give the Bank such a broad authority. The moment we raised the

floor by 3 percent, the Bank of Israel could raise and lower the rate within the 5 percent range that I leave to its discretion.

[YEDI'OT] If you drew the annual curve, why did you leave the Bank the 5 percent game?

[Moda'i] I indeed determined that there would be a devaluation of 12 percent by the end of the year, but the rate of devaluation need not be fixed. Over the year, due to supply and demand, there may be deviations from that line, which rises slowly.

[YEDI'OT] I still do not understand why I should believe your forecast, that there indeed will be at most 12 percent inflation and a 12 percent devaluation.

[Moda'i] The state sells services and sets the prices of water, electricity, transportation, and many monopolistic services and products, and it can determine that their prices will not go up.

[YEDI'OT] The government has always had these tools, yet since the great achievement in 1985, it has not succeeded in lowering the rate of inflation. Why should it succeed now?

[Moda'i] What happened then? We built a model in the Ministry of Finance and submitted it to the prime minister, Shim'on Peres, who gave it political backing. This model forecast at what rates inflation would go down each month if we would take certain measures. We reached an agreement with the Histadrut on the freezing of the cost-of-living increment for a period of 10 months, and we persuaded the manufacturers to freeze prices at the break-even point. When the public saw that prices were going down and that it would be better to defer purchases, a process was started that lowered inflation with a rapidity unknown in any economy in the world.

[YEDI'OT] The precondition for that process was the creation of national consensus and faith in the political system. Does the same situation obtain today?

[Moda'i] The model exists, and I estimate that this time, as well, the public will put its trust in us. We are not saying that we will eradicate inflation completely, but only that we will moderate it. We examined the means at our disposal one by one, and we found that most of them do not require the approval of the Knesset. The rate of interest, the municipal levies, the controlled prices, the quantity of money—all these are in the hands of the Ministry of Finance and the Bank of Israel.

Were the rate of inflation not so low this month and were the budget not almost completed, I would not dare to make this pretentious plan public. But now I am sure of success, because all the means are at my disposal.

[YEDI'OT] Even if the Minister of Housing is writing rubber checks in the amount of 4 billion [currency not given]—according to one of your versions—or 1.5 billion, according to the revised version?

[Moda'i] Both numbers are correct. One version refers to money that was already spent, and the other refers to an increment that will be required in order to supply the number of apartments that was specified by the planning. In the coming days, we will announce that this amount will not be taken from the budget, but that we will calculate it as a loan from future budgets. There is nothing in that to clear those involved from the charge of improper behavior.

[YEDI'OT] The prime minister asked you not to give to the legal advisor [to the government] the material that relates to the deviations of the Ministry of Construction, but you did not accede to his request.

[Moda'i] No, he did not request. He could not request that, because the Law of Arrangements in the Economy lays down explicitly that the Minister of Finance must give the legal advisor anything, even the smallest item, that relates to a deviation from the budget.

[YEDI'OT] How do you imagine the political situation if Mr. Harish decides to bring the guilty persons to trial?

[Moda'i] That would be a very sorry development. The law says that if a director-general receives from the minister an order to deviate from the budget, he can carry out the order and send a letter to his minister in which he warns about the violation. Such a letter is sufficient to clear him in a court of law. But the director-general of the Ministry of Housing did not act in that way. Of course, his indictment would be an injustice, and that injustice would be done because, against my advice, at the time that I put into effect the arrangements law in 1985, the government did not agree to introduce ministerial responsibility, and the Knesset obeyed the government.

[YEDI'OT] Do you imagine that a director-general who obeyed the instructions of the minister over him would be indicted, and that the minister himself would remain in his position?

[Moda'i] That is the language of the law.

[YEDI'OT] What would happen to these unfortunate contractors, who do not receive their money?

[Moda'i] They are not in any way unfortunate. A contractor who builds 1,000 apartments and has three attorneys who advise him every step of the way must know what is a legal contract. We were already acquitted in one lawsuit for payment, and I assume that we will be acquitted in all of them. We will not fool around with some poor guy in a development town who built 20 apartments, and we will try to help him. But we will not give in to the big ones.

[YEDI'OT] Arik came to the contractors, slapped them on the back, and said to them: hurry, hurry, hordes of immigrants are coming, there is no time to babble about contracts, trust Arik that everything will be all right, and they agree and build.

[Moda'i] What is the question?

[YEDI'OT] They will not get paid?

[Moda'i] No. They knew well what their legal status was, and they took risks anyway. Why?

[YEDI'OT] I do not know.

[Moda'i] Because the risk appeared worthwhile to them. Perhaps—think about this—perhaps the profit margin was such that it justified the risk?

[YEDI'OT] Are you saying that the housing companies charged exorbitant prices?

[Moda'i] I know that the deviation is not only in the overall budget, but also in the prices that were paid for each apartment.

[YEDI'OT] A year ago, you said that there would be no difficulty in raising \$20 billion in loans for immigration absorption. You said that our developing economy could pay back these loans without impairment to the citizens's standard of living. That was only one year ago.

[Moda'i] Then, it was correct, but meanwhile the world economic situation changed completely. Then, the big economies in the world sought places for investments and there were not many borrowers, while now the economy of the western world is in a slump and, in contrast, the number of borrowers has increased greatly.

Eastern Europe needs gigantic investments and South America is reviving and seeks to roll over loans. Nevertheless, I am saying that we will be able to get a \$10 billion guarantee from the government of the United States of America and on that basis we will be able to borrow another \$10 billion in the open capital market. The effort to obtain the loans will be greater, and the interest that we will pay will be higher, but the money will come.

[YEDI'OT] What will your position be if the guarantees really are made conditional upon the cessation of settlements [in the occupied territories] or their freezing for a certain period?

[Moda'i] Even if our economic situation will be more difficult than anything that I can foresee, even if all of Soviet Jewry immigrates within a short period, and even if we find it very difficult to obtain loans, I will not agree to any knuckling under. According to my viewpoint, we must not make concessions on any part of the homeland.

[YEDI'OT] Then go with the most pessimistic assumption. What would happen?

[Moda'i] Even in the most difficult circumstances, our situation would be better than in the fifties, the years of the mass immigration. Then, we produced \$1,000 per citizen, and now we produce 11 times as much. And then we were half a million souls, and today the population comes to four and a half million. Then we were thin, and we pulled in our belt to the guts.

If the worst of all occurs, we will have to slim down, but we are now fat. The standard of living will go down, and we will not be able to provide the immigrants with what we are giving them today, but we will hang in. We must prepare for that, as well.

[YEDI'OT] And today there are 170,000 unemployed. What do you say to them?

[Moda'i] I know that what I say will not comfort the unemployed man, but you ask about unemployment as an economic and social phenomenon, so I can say that our unemployed have more hope of obtaining work within two or three years than the unemployed in Spain, who are 15 percent of the labor force, or the unemployed in Italy, who are 12 percent. There, this situation has gone on for years, while here, the high rate of unemployment is a temporary phenomenon, which was caused by the giant immigration.

We are injecting a massive amount of capital into infrastructure development, and if about 200,000 immigrants come each year, we will see a reduction in unemployment within two to three years.

[YEDI'OT] I have a few thousand shekels. In what should I invest?

[Moda'i] As usual. If you want to maintain the value of your money, without big profits and without risk, buy government bonds. But if you hanker for big profits, you can choose many other channels of investment that opened in recent years.

[YEDI'OT] What will happen to those who are insured in pension funds whose situation is shaky?

[Moda'i] Why do you ask me? The government does not run pension funds. Ask whoever deceived the insured persons, who promised them generous pensions and used their money to support thousands of clerks.

[YEDI'OT] Do you foresee trouble?

[Moda'i] It is because I know the actuarial situation of the funds. I established a committee to investigate their situation, because I know that in the final analysis, they will come to the state for money. I am not indifferent to the situation of those who are insured in the Histadrut funds, but it seems to me that those who are responsible for the funds are indifferent.

This attitude is characteristic of the entire Israeli economy, and it endangers us more than the immigration and the temporary unemployment: all of them—the moshavs, the kibbutzes, Koor, the special funds, the settlements—and I am mentioning only the exorbitant extortionists, all of them are squeezing the public treasury through the political system, and I am struggling with this every day and every hour.

[YEDI'OT] And what are you doing in your own house? What do you do when MK Grupper, a member of your party, extorts benefits for the vineyard owners that he represents in the Knesset?

[Moda'i] My small party is not a unique ideological party. If Grupper does not get what he wants, he will go to another party.

[YEDI'OT] Can this be changed by means of an electoral reform?

[Moda'i] I have no doubt. I will support the proposed change, even if the entire government is against it.

[YEDI'OT] How is your health? Do you feel alright?

[Moda'i] Can one feel good doing the work that I do?

LEBANON

Differences Among 3 Leaders Discussed

92A50087A Beirut AL-NAHAR in Arabic Nov 91 p 2

[Article: "Al-Ta'if Implemented by None of Three Powers"]

[Text] A well-known government source says that Ilyas al-Harawi, president of the republic; and 'Umar Karami, head of the government, have good relations despite media reports of differences between them. He adds that their views on several matters may differ on methodology, and perhaps also on the al-Ta'if Accord and the manner of its implementation. Karami believes that al-Harawi sometimes oversteps the powers defined by the accord and stipulated by the new constitution. Al-Harawi, on the other hand, thinks that Karami exaggerates adherence to the constitution, if it may be called that. Their differences, however, do not undermine the amity between the two pillars of the executive branch. The head of government believes that disputed presidential actions are motivated by zeal and ability to perform, rather than by premeditated design to overstep constitutional authority. The president believes that differences of opinion on numerous issues can be resolved, and indeed several have been, by constant consultation with the head of government, and that the above-mentioned differences are inherently natural, healthy, and democratic. However, when disagreements are disclosed by one or both of the two men for the purpose of placating a certain segment of the population, currying certain approval, or bolstering existing popularity, then they become harmful and perhaps indicate malice, rather than devotion to the public interest and the special interests of sects and tendencies.

As far as relations between the primary powers are concerned—i.e. the three constitutional branches, namely the Presidency, the Chamber of Deputies, and

the Council of Ministers—it is disturbing that the Legislative branch would get involved in existing disagreements. Disputes between two institutions of the administration, or the executive branch, are all in the family and can be resolved. But for the legislature to involve itself in such conflicts, or develop friction with one or both of those two institutions, is a serious matter that will ultimately lead to a struggle that would immobilize the country. It would also lead to polarity that would undermine government operations and the public interest, not to mention the national interest, in particular. This is now the case, since all of us are aware of, and talk about, worsening relations between presidents al-Harawi and al-Husayni.

Why is there conflict between President al-Harawi and President al-Husayni?

Inner-circle sources attribute the conflict to a comment by the president of the Chamber of Deputies that the president of the Republic is deviating from the al-Ta'if Accord, even though he was elected by virtue of it and his function is essentially to implement it. He has adopted authorities vested in the president of the first republic but narrowed in the second. The conflict is also attributed to the belief that breaches by the president of the Republic are calculated and planned and that he [al-Harawi] is doing his best to institute practices that would compensate him and the first presidency for the powers withdrawn from them and vested in the Council of Ministers, which, as a group, is the executive authority. Those infractions would not have been as serious, and would have been easier to live with, if they had been well-intentioned or prompted by ingrained habits, and if time and practice would guarantee proper application of the new constitution. Such repeated breaches, despite attendant problems and conflicts, have convinced President al-Husayni that President al-Harawi does not mean well. The latest such infraction occurred during a visit to France, where he met alone with President Mitterand for an hour-long working session, which he later reported to the Council of Ministers. He also met alone with the French minister of defense without Lebanese Defense Minister Michel al-Murr, who was accompanying him. He had excused himself for a five-minute one-on-one that lasted more than an hour. al-Murr witnessed only the final 10 minutes of this hour.

Even though conceding the above, other political sources cite different reasons for the conflict between al-Husayni and al-Harawi. Some such reasons have to do with deep and long-standing political disparity between the two families in the Biqa'. Others have to do with al-Husayni's belief that al-Harawi, unlike late President Rene Mu'awwad, was outside the circle, or out of the kitchen that prepared for the al-Ta'if Accord, and consequently cannot appreciate its significance enough to respect it. Another underlying reason is his belief that he is more deserving of pragmatically translating the accord, and perhaps even of supervising its implementation. That belief is repudiated by the executive branch, regardless of who heads its presidential and Council of Ministers

hierarchies since, according to the law and the constitution, it would be open, flagrant, outrageous, and unacceptable infringement by the legislative branch on the executive branch. It would also mean the dominance of one faction, or sect, over others, considering that the country has remained fractionalized, or perhaps even fragmented after the al-Ta'if Accord, and because of it. It would ultimately mean the tyranny of a single individual with exclusivity in determining the country's course. No matter how competent and what the guarantees, which are plentiful in the case of Mr. Husayn [as published], they would be unable to secure the national and public interests or to replace the skills and expertise of other leaders at other institutions.

What, then, is the answer to public and private conflicts among the three powers?

Some political sources believe that it could lie in the implementation of the al-Ta'if Accord to its fullest. This would mean adherence to their respective authorities by the president of the Republic and the president of the Chamber, and also by the Council of Ministers, which is not properly discharging its responsibilities since its loyalties are divided—if we may use the expression—not only between the Presidency of the Republic and the Chamber of Deputies, but also between them and other authorities, commitments, and interests. The council is, therefore, rendered unable to function in the manner envisaged by the al-Ta'if Accord. Government performance is perhaps negatively effected by the designation of a fixed and extended term for the tenure of the President of the Chamber of Deputies, while the President of Republic also has a fixed and extended term. That sort of impact will continue.

Officials on Political Crimes, Corruption, Amnesty
92AE0088A *London AL-HAYAH in Arabic* 2 Nov 91
p 14

[Article by Sana' al-Jak]

[Text] Beirut—Corruption, the general amnesty, sectarianism, interference by militias, favoritism, the closed files, the investigation of assassinations and explosions, the problem of people forced to move from buildings which they occupied amid the dislocations of the civil war, and other matters are the regular substance of questions being asked by Lebanese, and a source of their cynicism and even despair about what is happening.

AL-HAYAH posed all of these questions to leading figures of judicial agencies and the Justice Ministry at a time when it is no longer easy for the citizen to accept that any official remains "unsullied." In an interview dealing with the social dimension of justice in Lebanon in the light of the current reality, Justice Minister Khatchig Babikian told AL-HAYAH: "The legislation which we are actively engaged in preparing is intended to achieve the social dimension of justice. However, we cannot treat all matters. The question of the employment of militias in the official sector, at the expense of duly

qualified persons, goes back to the logic followed by the state when it disbanded these militias. We had to take care of them. That is compassion in society. We lost 120,000 Lebanese during the past events. We are unwilling to lose more. Either we prosecute the war and let them kill people, or we employ 6,000 persons who might in the future become the best of citizens after they join the Army." Minister Babikian continued: "I do not believe that the employment of members of the militias will be at the expense of other social strata, because there are opportunities for everyone. We are suffering from a major labor shortage in all sectors. It is even difficult to find a maid these days. Where is there a problem in creating respectable positions for the duly qualified who would [otherwise] not be persuaded by state salaries and would prefer to emigrate?"

Minister Babikian denies the presence of some militia elements in official administrations. He said that the state has given them an opportunity to join only the Army, where they will march under the "whip."

Political Crimes

Minister Babikian acknowledges that the investigation of political assassination crimes not covered by the Amnesty Law was assigned to judicial agencies that were rendered ineffective by the civil war.

"The conspiracy that was engineered against Lebanon was intended to spread chaos to facilitate the elimination of several problems, including the Palestinian problem. This conspiracy had disastrous results for the judiciary and security. Innumerable crimes and violations were committed. Today, it does not benefit us to say who committed, abetted, or participated in such crimes. Hence, the General Amnesty Law was created to close the chapter on the residue of the war. Major crimes affecting leading figures in the country have been referred to the Justice Council and are under examination. I do not know if the security agencies can uncover all of the facts, because most of these crimes are major political crimes, behind which are countries and agencies, which makes it difficult to obtain all the facts. Therefore, an investigation sometimes stops when a witness disappears, or when traces are obliterated, or when there are insurmountable barriers."

Regarding the degree to which the state interferes in the work of the judiciary regarding these crimes, which prevents the opening of all cases, Minister Babikian responded: "I can confirm that, in my tenure, the Justice Ministry has not interfered in any case which the judiciary has handled, all reasons notwithstanding. I hope that my word is authoritative. I do not permit executive agencies to interfere in judicial affairs."

While Minister Babikian emphasized that respect for the principle of the separation of authorities is applied in state agencies, Judge Munif 'Uwaydat stated: "The principle of the separation of authorities does not mean that there is no cooperation between the judiciary and the state. Everyone works within the framework of the

common interest. However, matters become sensitive when we suddenly move away from the practical, constitutional reality and speak in another language. The equation then becomes 'one sect is superior to another,' rather than one authority is superior to another. Consequently, one sect infringes on another."

Responding to AL-HAYAH's question about the progress of investigations into crimes not covered by the Amnesty Law, Judge 'Uwaydat said: "The judiciary has been unable to uncover the circumstances surrounding these cases. No one is willing to testify. Then again, what indications would be provided regarding an investigation being conducted in an atmosphere of imposed secrecy?"

He explained the judiciary's mandate to maintain the course and secrecy of the investigation, saying: "There are crimes that require a general atmosphere that permits us to carry out an investigation, including the case of the late president, Rashid Karami, a crime for which there is no justification. Some do not like my investigative style. (I know that it is annoying). However, secrecy is essential in my work. Otherwise I would not be able to continue. The circumstance [of secrecy] was required at the time: Should we have perhaps summoned every politician to explain to him what is happening, in order for him to get off our backs? How would I be able to continue, especially given that the information which I obtain may not be to others' liking?"

'Uwaydat continued: "Now, because of the controversy which has arisen around the case of Brigadier General Mahdi al-Hajj Hasan, we find ourselves facing two matters: If the judiciary investigated it, that would be a misfortune; if it passed over it, people would say that it 'covered it up.'" Here, 'Uwaydat emphasized that all are equal before the law. Mahdi al-Hajj Hasan, who is a brigadier general, was arrested like any ordinary person. 'Uwaydat also called on everyone to allow the judicial authorities to judge his innocence, because neither demonstrations nor press statements will grant him this innocence.

The public prosecutor of the Court of Cassation, Judge Maurice Khawwam, has found that the interference of authorities and prominent figures in judicial action is entirely a factor of the judge's personality and sentiment. He denied the influence of sectarianism in the staffing of the judiciary, telling AL-HAYAH:

"We disregard this matter completely. I am not even curious to examine the names [of job applicants]. I am satisfied with qualifications."

Dr. Wajih Khatir, the Justice Ministry's director-general, confirmed this outlook by which sectarianism is avoided: "Sectarianism is not an impediment to appointments to the judiciary. The most recent appointments include the graduation of 27 judges without regard to sect. Qualifications, isolated from sectarian affiliation, were our criteria. However, to what extent can we continue?"

Minister Babikian stated that sectarianism in state positions is not an arbitrary matter based on the rulers' temperament. "We operate under a constitution that is the law of the nation." This constitution, which was amended at al-Ta'if, contains clear stipulations regarding appointments. Sectarianism has been eliminated in employment, except with respect to category-one positions. As long as these stipulations stand, we must unfortunately operate according to the sectarian principle. However, we are attempting to reduce the harm caused by this situation. The plan to appoint Judge 'Atif al-Naqib president of the Supreme Judicial Council was intended to leave this situation behind. We will strive to make similar appointments, so that the only requirement is competence, which is abundantly available in all Lebanese sects. This will permit us to place the right person in the right position."

Judge Munif 'Uwaydat was more pressing in calling for the elimination of confessionalism. He stated: "A state that wants to stand on its own must break with the past by means of a new order that permits progress toward achieving correct change to meet our urgent need for a modern system. Our confessional system is not in the people's interest. A sectarian mentality does not create a state. As long as we continue to exist in sects that are subject to a regionalist outlook, we will not progress. The search for change does not lie in continuing the past."

The General Amnesty

Minister Babikian emphasized that the General Amnesty Law comes under the heading of breaking with the past to start a new chapter that is better than the previous chapter. Regarding the fact that this law coincides with the deportation of General Michel 'Awn, he stated:

"The Amnesty Law stems from a national political decision made on 28 March 1991, when the government—and we should remember that more than one militia chief and more than one controller of an arsenal sits in the cabinet—resolved to disband the militias and collect weapons. The resolution to disband the militias was accompanied by another governmental resolution tasking the Justice Ministry with drafting an amnesty law to prevent fragmentation and chaos. We formulated the draft Amnesty Law after studies and discussions at all levels in the Chamber of Deputies. We brought up all juristic and legal theories, so that the law would be compatible with the special circumstances in Lebanon. In this way, we created a practical judicial measure which will alleviate the backlog of cases that have accumulated during the past 16 years, and which will greatly reduce overcrowding in the prisons.

"The fact that this law coincided with the deportation of Gen. 'Awn is perhaps related to the obtaining of an agreement between senior authorities and the French Government regarding the general's case."

Judge 'Uwaydat characterized the General Amnesty Law as effective, and he rejected the statement that its promulgation was tailored to some political circumstances, including Maj. 'Awn's case. He stated that the Amnesty Law's most important provision is its reinstatement of the grace period, which reinvigorates the principle of the validity of the passage of time from the commission of a misdemeanor or crime [i.e., statute of limitations]. This principle is based on the presumption of forgetfulness, which is a human and social need, "especially given that what happened during the past 16 years does not speak well of us, and it is better for everyone to close the files on it."

Judge 'Uwaydat continued: "Amnesty is needed now, and the state is in a position to implement it following the end of the chaos. During the tenure of the late President Ilyas Sarkis, no amnesty law was promulgated, because the state was ineffective, which gave any law a brittle character. Now, the Amnesty Law is in harmony with the legislative program. We have pardoned a specific past. However, to display the state's muscles, we have warned of the consequences of continuing according to the policy of this past. We will prosecute anyone who returns to misconduct. This is what we need in our dealings with the militias."

Judge Maurice Khawwam stated that the implementation of the General Amnesty Law is subject to principles that facilitate the work of the offices of the prosecutor general, magistrates, and the courts, according to their respective authorities. Regarding past judgements that require a legal interpretation to determine whether they are covered partially or entirely by the general amnesty, the court that originally rendered the judgement is best suited to make that interpretation. Khawwam added that the justice minister has urged all judicial authorities to expedite this type of action, so that persons covered by the General Amnesty Law do not remain in prison.

Judicial action and debate do not stop with the General Amnesty Law. The problem of migrants continues to have a negative effect on Lebanese society. It is the subject of discussions, proposals, and accusations, the most recent of which concerns what happened after the al-Shuf oil presses incident [involving the forced migration of Christians from Jabal Lubnan].

Judge Khawwam summarizes the position of the legal agencies on the problem of migrants as follows: "The law is clear. Article 14, Chapter 2, of the constitution regarding the rights and duties of Lebanese stipulates the following: A house is inviolable, and no one is permitted to enter it except in the circumstances and ways stated in the law. We are, nonetheless, dealing with the migrant problem painstakingly. We consider each complaint a special case, and we study it before making a decision on it, so that no one is treated unjustly. Any migrant occupying a dwelling who has the resources to return to his home, and who no longer has a reason to remain a migrant, shall be granted a grace period to evacuate the dwelling which he occupies after the actual owner has

claimed the dwelling. When no shelter is available to the migrant, we do not permit any authority to throw him into the street."

Minister Babikian explained the judiciary's policy on this issue: "The war forced some to move to places which they assumed were safer. They have occupied houses, schools, and hotels. They are living in them without sufficient legal cause. However, the social and national situation requires that we distinguish between a forced migrant and an occupier. In the chaos of war, some are tempted to seize and exploit others' property. The judicial agencies are, therefore, compelled to act to rectify matters. Our directives are clear regarding migrants: No one is permitted to deal with the migrant before his problem is solved on the national level. This applies to true migrants who have no place to go. We are striving to return those who face no problems in returning, because this is a national priority that is above all other considerations."

Corruption

There has long been talk of corruption in the administrations, which has raised a number of questions about the Central Inspectorate [al-taftish al-markazi], the improvement of the remuneration of officials, the Constitutional Council, the Supreme Council for the Trying of Senior Officials, the immunity of parliament deputies, bank confidentiality, the revitalization of the office of the Financial Public Prosecutor, and other matters related to the elimination of corruption in official administrations, so that they can renew their cells and rebuild their staffs.

Minister Babikian does not agree with the statement that the state's impoverishment is due to the enrichment of those in power. He stated: "It is incorrect to say that some men of state became rich after fulfilling political functions. Perhaps the opposite is true, because a politician is, most of the time, compelled to neglect his private interests when performing public service, and he frequently derives no personal benefit from public service. Some of us even assume positions that do great harm to our private business. I will not explain more than that."

The minister continued: "Certainly, no one is infallible. There are exceptions, and the law promulgated by late President Camille Sham'un to prosecute illegal enrichment under the slogan of 'Where did you get this?' was unfortunately not implemented during his, or subsequent, tenures. However, we today, in the cabinet, on the occasion of the ministerial retreats, have decided to revitalize all parts of this law. I truly believe that the second republic will not thrive unless we revitalize and act through institutions such as this and others." Babikian explained the practical steps that have been begun: "In the framework of valid legislation and respect for the constitution, the government has revived the Supreme Council for the Trying of Senior Officials and Heads of Ministries. It is necessary to focus on this matter, so that this council can hopefully act, if, God

forbid, something happens requiring it to do so. The government is also examining a bill that was submitted to it by the Justice Ministry about a month ago to establish a constitutional council, based on the notion that the second republic will be a republic of institutions, not individuals, and that no one is above the law. As a result of the establishment of a constitutional council, the Chamber of Deputies itself, the president of the republic, the prime minister, ministers, and senior officials will be subject to constitutional law. Consequently, through these institutions, the 'Where did you get this?' law will become effective." Regarding the efforts being made by the Justice Ministry and judicial agencies to combat corruption, Minister Babikian stated: "Unfortunately, corruption is worsening. The Justice Ministry is doing what it can to punish those responsible. Two courses of action are being pursued: The first is notification of the public prosecutor's offices of the occurrence of violations. The second is for the state to produce more competent employees who are satisfied with their financial circumstances."

Regarding the possibility of the availability of such employees in Lebanese administrations, Babikian stated: "Our aim in raising the minimum [not further specified] to 120 percent—after inflation had devoured the actual value of salaries, which keeps officials from being diligent and satisfied with a single job—was, of course, to improve the conditions of officials, so that it would be fair to hold them accountable. On the one hand, the state is obliged to provide a secure environment. On the other hand, citizens are obliged to cooperate with the Justice Ministry's judicial and security agencies and to promote a new climate of morality, without which neither the state nor the law will stand."

Judge Munif 'Uwaydat believes that strengthening the Central Inspectorate should be the basic recourse for controlling state agencies. There are a million employees who collect salaries and do not work. As for the judiciary's inadequacy in prosecuting corruption, 'Uwaydat said: "The public prosecutor's office in Beirut is composed of three judges who must appear in twelve appeals courts, observe verbal processes, conduct submissions, and monitor investigations. However, there are no clerks, messengers, or even a telephone in the Justice Ministry. This inadequacy stems from the Justice Ministry's administration, which is entirely deficient. In view of the equipment that has been given us, the judiciary is poor, lacking even stationery, although we have the best judges in history. We are willing to work without pay, provided that we are supplied with messengers and clerks."

'Uwaydat continued: "The judiciary's function is not preventative. We cannot prevent the occurrence of a crime. Some do not understand this legal reality. When we arrest someone threatening people with a knife, we hear people saying: 'They arrest this one and disregard that one roaming about in a tank,' or 'is Roger Tamraz (the former chairman of the board of Intrabank) the only thief to have a warrant issued for his arrest?' Our

response is that Tamraz might be the pettiest of thieves, but no one is submitting a complaint against other thieves so that we can investigate them. If we prosecute one of them, we are accused of overpowering the weak. If we are silent, we are accused of a cover-up." Regarding "cover-ups," 'Uwaydat pointed to the case of the spoiled meat imported by the Idris Organization. 'Uwaydat was against re-exporting this meat, and he acknowledged the judiciary's error [in holding the Idris Organization liable], a mistake which was not made with malicious intent, because the corruption goes beyond the meat to the person who submitted reports on its fitness. The investigation [i.e., examining magistrate] should have jailed the responsible parties in this case, "so that they would rot as the meat rotted." At the end of the investigation, the facts of the case would then become clear to the people, instead of being concealed as they were. At the same time, 'Uwaydat stressed that the judiciary is invincible, and that no one can escape it. "Even banking confidentiality might be revoked if necessary, and every Lebanese who possesses the means to improve his conditions is not necessarily a thief."

Dr. Wajih Khatir responded to those accusing the ministry of inadequacy, saying: "We are carrying our responsibility. We are seeking an effective means to serve documents after having failed to increase the salary of servers, which does not exceed 150,000 Lebanese pounds per month. Therefore, we are seeking other means. In the villages and provinces, we can ask the help of internal security forces personnel to do this. However, regarding Beirut, where this solution would not be feasible, we might seek the help of justice clerks after consultations and study."

Dr. Khatir rejected any charge of waste leveled against the Justice Ministry. The ministry's budget does not exceed 0.6 percent of the general budget, and the ministry's additional expenditures in 1989 did not exceed 4.5 million pounds. The ministry's general administration has been working continuously. "We study draft laws and defend government ministries against all claims submitted against them to the Consultative Council. We are also actively involved in training new graduate judges at the Judicial Studies Institute." Dr. Khatir stated that the Justice Ministry requires 900 additional employees, and that it intends to turn to ministries that have complained of excess employees with a view toward absorbing the surplus manpower in the Justice Ministry. He believes that "Lebanese laws correspond to international laws, but the government needs time to move them from the realm of theory to the realm of practice."

Minister Babikian acknowledged that state agencies are currently unable to provide a team that is capable of taking action. He stated: "The current apparatus is unable to apply the majority of laws and legislation promulgated and approved by the Chamber of Deputies. Had it possessed such capabilities, we would not be where we are now. The late President, Ilyas Sarkis, was wise to prohibit new hiring in official administrations. That measure was taken to prevent militia members

from dominating these administrations. However, we are now suffering from a major manpower shortage in our administrative agencies. In some ministries, 60 or 70 percent of the positions are vacant. We hope, through administrative reform and ministerial measures, to create new cadres with the dynamic, up-to-date qualities needed in a modern state."

State and Judiciary

Regarding the state's position as a defendant before the Lebanese judiciary, Babikian stated: "The war apparently made citizens forget about the state's presence. I know of more than 6,000 cases that have been submitted against the state that are in the Consultative Council. The Lebanese Government is one of the few in the Middle East which harbors respect for citizens' freedom, laws, and rights. Before the civil war, the Consultative Council was among the most active courts. However, it was destroyed and its offices were burned. We are now working to rebuild it."

Dr. Wajih Khatir: "The state is subject to the law and is not above it. The spoiled meat case resulted in the submission of a claim against the state by the Idris Organization. We are examining it." Dr. Khatir continued: "The rumors and scandals that accompany the opening of any controversial case, such as those involving smuggling, corruption, and drugs, harm the interest of everyone and discourage people from working in public service."

Dr. Khatir declined to comment on the nature of the laws that are now being formulated, because that would lead to a political discussion. He believes that mixing politics with personal interests in raising any case takes the matter out of the hands of the judicial authority.

According to Dr. Khatir, the legal vacuum regarding rents has favored tenants. If the courts had applied the Duties and Contracts Law in the past, most tenants would be out in the street. However, the pertinent courts have acted wisely on their own, without direction from anyone.

Regarding the current draft rentals law, Minister Babikian stated: "I am not surprised that the draft rentals law is arousing so many discussions and sensitivities. I can only say that the Chamber of Deputies is studying and examining the draft, and the government is willing to expand the discussion, so that this draft will be fair and reassuring and will achieve everyone's aspirations. The important thing is to promulgate the rentals law and to end the law of the jungle that governs tenant-landlord relations. As soon as legislation regulating the tenant-landlord relation is promulgated, the construction branch will again see development and investment activity, which is extremely important from a national, economic, and developmental standpoint." Babikian also indicated that a detailed discussion regarding the draft rentals law will be issued to reassure everyone. It will include several projects and measures

which complement this law, so that the government will have fulfilled all of its obligations in this regard.

Regarding the possible reinstatement of the death penalty in the future, he stated: "The penal code still provides for the execution law. Nothing prevents the implementation of a death sentence if it is handed down. There are many contradictory penal and social theories on this subject. However, after the tragedy which we have experienced, and in the light of the Amnesty Law, we will strive, in certain circumstances, to be tough with those who continue criminal activity. Upon the issuance of any execution sentence, we will examine the matter, including the interest of Lebanese society."

Judge Munif 'Uwaydat concluded the discussion on the social situation as it relates to the Lebanese judiciary, stating: "As long as there is crime, the wheel of justice will turn. Regardless of past circumstances, investigative activity will not stop, even if the courts have been hampered, which explains the terrible backlog of cases at the Palace of Justice. However, I believe that crime is declining in Lebanese society. This war has purified the soul of the citizen and exhausted his ability to surrender to the criminal urge."

MOROCCO

Finance Minister Foresees Free Economy by 1993

92AF0258A Casablanca MAROC SOIR in French
27 Dec 91 pp 1, 3

[Unattributed article: "In an Interview With the Daily LE FIGARO, the Finance Minister Assessed Morocco's Economic Reforms: '1992 Will Mark the Transition From a Still Partially Assisted Economy to an Entirely Free Economy'"]

[Text] Paris (MAP)—Mr. Mohamed Berrada, the finance minister, presented a positive assessment of Morocco's economic situation following the reforms adopted at the national level and the modernization efforts whose concrete results should bring Morocco up to European standards.

In an interview published on Thursday in the daily LE FIGARO, the finance minister supported his statement with examples and figures recorded in recent years in various key sectors of the Moroccan economy, and he reaffirmed his conviction that Morocco "will be able to join the EEC if it keeps going, if it achieves a growth rate on the order of 7 or 8 percent starting in 1993, if its economy is fully deregulated, and if its products are competitive."

Morocco, is "seeing the light at the end of the tunnel," Mr. Berrada indicated, adding that higher international organizations already rank it among "newly industrialized countries." "Some already see us as a new 'little dragon' within 13 km from the EEC," Mr. Berrada

pointed out, indicating that European economic integration "is a challenge that will require more reforms and efforts; it is up to us alone to prepare for it, to show others and ourselves that we can do he," he said.

Asked to assess the economic reforms undertaken in Morocco, the finance minister indicated that "in the past four years, Morocco has achieved a high growth rate, averaging 4.6 percent, in spite of a very high demographic growth rate of 2.3 percent, the gross domestic product per capita nearly doubled in nominal terms," he noted.

Today, the finance minister explained, "his objective remains to eliminate public deficits. Our budget will be balanced already in 1993, as well as our balance of payments; the latter should even show a surplus starting in 1993,.... As soon as our finances are balanced, we shall no longer have to reschedule our foreign debt, and we shall thus restore credibility and confidence; this is the best way to attract freely new capital," he affirmed.

Stressing the positive results achieved in recent years in exports and agriculture, Mr. Berrada pointed out that "exports have increased by 25 percent per year and have become broadly diversified, even in agriculture, there have been edifying progress, spectacular results: we are reaching peak yields of 150 tons of tomatoes per hectare instead of 60 a few years ago," he added.

On the rescheduling of Morocco's foreign debt, the finance minister observed that "the foreign debt has remained unchanged in the past three years, but during that same period the Moroccan gross domestic product has considerably increased, so that the total current debt represents only 81 percent of our gross domestic product instead of 123 percent in 1985...." "Our foreign debt management is a real success, Mr. Berrada claimed, adding that "1992 will be decisive because it will see the end of the reorganization policy and because Morocco will be out of the tunnel. 1992 will mark the transition from a still partially assisted economy to a totally deregulated economy whose growth will be self-financed by our own resources and our own energies, as early as 1993, we shall start on new bases," he stated.

Concerning unemployment, the finance minister pointed out that the actual unemployment rate "as compared with our strong demographic growth rate, demonstrates the strength of our economy and the fact that, in spite of all, it is able to create new jobs."

Finally, asked about the dirham convertibility, the finance minister stated that the dirham "is already convertible to a certain extent, we shall soon have foreign currency reserves amounting to 43 billion, our trade is already 90-percent deregulated and will soon be fully deregulated. We have adequate resources to enable our economy to operate in a natural way. What matters is confidence in the currency, and there is an unmistakable sign, the exchange rate on the black market is the same as the official rate; another sign: last year,

Moroccan workers abroad repatriated 42 percent more money to Morocco than the year before," he concluded.

In addition, in its commentary on Morocco's economic situation, the daily LE FIGARO stressed the fact that higher international organizations approved Morocco's economic policy when they chose Morocco to preside over the next joint assembly of the IMF and the World Bank, in order to "reward it" for the positive results it has achieved, which "have consistently improved in the past eight years, under constant IMF monitoring."

According to Pieter Bottelier, head of the Maghreb department at the World Bank, as quoted by LE FIGARO, "since the mid-eighties, Morocco may have been the only country in the world to have, at the same time, created a realistic prospect for a durable solution to its foreign debt problem, set up a basic reorganization program, restored a sound balance of payment, based its economy on monetary stability, and curbed inflation, and all that with an economic growth rate of about 4 percent per year."

"In just a few years, the Moroccan kingdom has modernized its investment code, reformed its banking law, deregulated lending and foreign trade, and brought its tax laws up to European standards, and it is now about to start the first phase of its privatization program," LE FIGARO concluded.

World Bank Assessment Disputed

92AF0258C Casablanca LA VIE ECONOMIQUE
in French 27 Dec 91 p 10

[Article signed M.H.: "The Report's Questionable Assessment: One Moroccan in Three Said To Live Below the ABSOLUTE Poverty Level!"—first paragraph is LA VIE ECONOMIQUE introduction]

[Text] The introduction to the World Bank report contains remarks of which the least that we can say is that they are questionable. The report does not provide any basis for these statements, and we decided to mention them and comment on them.

The statement made in the report, that most resources were not properly developed, leaves us perplexed. Can this be blamed on the OCP [Moroccan Phosphates Office] which, in recent years, started mining the Benguerir deposit and, in particular, completed one of the largest chemical complexes in the world, so that it can now process on location over 40 percent of the ore extracted?

As far as land suitable for cultivation is concerned, the launching of large dam and irrigation projects met with skepticism on the part of IBRD [International Bank for Reconstruction and Development—World Bank] experts 20 years ago. How many countries have made a comparable effort with comparable results in this respect?

Maritime resources? Morocco has built, enlarged, modernized about 10 ports, in particular three very large ones: Mohammedia, Agadir, and Jorf, the latter from scratch. Ports have been created on the Saharan coast, in particular in Tan-Tan. Tourism? Marrakech and Agadir have been developed, and their development is being further intensified. What does that mean: "Living below the absolute poverty level"? Does it mean starving to death?

But in Morocco no one starves to death. Children everywhere are usually in good health, and if they suffer from deficiencies in their diets, it is due more often to their parents' ignorance than to an absolute lack of resources. In this connection, we would like to mention a revealing anecdote. This year, the BCM [Moroccan Commercial Bank] invited us to the inauguration of its Paris branch, and it reserved a first-class seat on the RAM [Royal Moroccan Airline] for us. At the first-class desk, a gentleman was protesting with some vehemence: he had a first-class reservation but was given an economy-class seat. Perhaps we were the cause of this otherwise regrettable downgrade. In Paris, waiting for my luggage, I found myself next to this discontented traveler. I inquired about the conditions under which he eventually had to travel and he told me that they had been acceptable. He told me that he was an expert employed by the World Bank, that he had just completed a survey of Morocco and, he added, "I am about to write a very tough report on poverty in that country."

The report we are looking at is probably the result of this expert's visit. It would be surprising if he had investigated the poorest districts of Casablanca or the most disadvantaged regions of the kingdom. He based his assessment on computations that were no doubt very complex, but that did not reflect a very important facet of the Moroccan economy: I mean the unofficial or underground economy that accounts for a considerable part of the gross domestic production. Some 15 years ago, an official estimate was that sales of contraband goods equalled the OCP sales. These sales have further increased since then (e.g., TV sets: 50 percent of the TV sets sold are smuggled into the country!).

There is everything that evades taxation, and that has to be quite a lot!

There are clandestine resources, moonlighting, undeclared employees.

There are clandestine foreign-currency transfers, compensation operations that increase in proportion to the size of the Moroccan population abroad. How can anyone claim to count the country's needy population based on figures that are well below the actual figures?

Even those who are least favorable to the government will agree that the proportion mentioned in the Bank's report bears no relation to reality. It amounts to saying that, in Morocco, 8 million people live below the absolute poverty level, including 1 million in Casablanca. The World Bank points out that social expenditures are

inadequate. Everybody agrees. But the Bank does not say that the essential conditions of Morocco's economic recovery were a reduction of its expenditures. We had to choose between investment and social expenditures. By developing its productive infrastructure, Morocco gave itself the means to increase its social expenditures later on, whereas the reverse would have brought nothing, but an increased deficit of which the social sector would have been the first victim later on. This being said, it is equally abnormal to speak of the "perpetuation of this situation." Improvements were achieved in ALL social sectors [sentence as published]. They are still inadequate, but it is abnormal to speak of stagnation as the word "perpetuation" would seem to imply.

This being said, we do not want to be accused of approving whatever is positive in the Bank's report, and rejecting whatever is negative. But, obviously, when it comes to the social sector, the report indulges in a markedly subjective assessment.

Note also that, in concluding, the report stresses that "serious problems are still affecting short-term stability and longer-term development prospects."

That is one more reason to watch expenditures.

We should note in passing that the Bank declared itself pleased with the effects of the devaluation of May 1990. But is it normal to base the competitiveness of our products abroad on monetary manipulations which eventually bring about an increase in the price of imported goods, especially oil, durable goods, and the semi-finished products required to develop production? Aren't the effects of a devaluation soon offset by cost increases?

Certainly, this puts a brake on consumer good imports, but the question remains: wasn't the higher inflation rate of 1991 the result of the devaluation?

Aspects of Unemployment Crisis Explored

92AF0229A Rabat L'OPINION in French
9, 10, 12, 13, 15, 19 Dec 91

[Commentary in six installments by Mostafa Nassiri]

[9 Dec pp 1, 4]

[Text]

Urban Employment Situation During the Last Five Years: Demographic Pressure and Economic Stagnation

The Moroccan employment situation and the ensuing unemployment constitute problems that are more difficult to solve by the lack of exhaustive and detailed studies.

Unemployment, currently a major issue, has become crucial, especially since finding ways to reduce it requires an in-depth knowledge of its economic causes, of the demand component of the job market, i.e., the actual

needs of employers, and of the means to adequately match training and employment.

The main source of information on the employment situation remains the series of annual surveys of urban employment made by the Directorate of Statistics. They provide the basic quantitative data required for the more detailed studies covering an average period which, if they were undertaken—as they should—would call for the development of further quantitative and qualitative data in the context of an exhaustive analysis, which alone could shed light on the economic causes of unemployment and, therefore, lead to the implementation of a long-term employment strategy.

Such studies are required, especially as the limited solutions that have been proposed would become part of this strategy, as unemployment is not a phenomenon resulting from economic conditions, but a structural phenomenon that is getting worse every year.

During the past five years, the GDP [gross domestic product] growth rate, at 1980 market prices, averaged 4.1 percent with variations both up and down. After reaching 8.4 percent in 1986, the GDP [growth rate] dropped to -2.5 percent in 1987, peaked at 10.3 percent in 1988, declined to 1.3 percent in 1989, and improved slightly to 3 percent in 1990.

It is the behavior of the primary sector, especially agricultural campaigns, that affects and conditions GDP variations, as does, but to a lesser extent, the secondary sector.

In fact, in the primary sector, there was strong value-added growth in 1986 (+36.7 percent); this percentage dropped by [sic] 23.1 percent the following year, and amounted to 30.6 percent in 1988, -1.9 percent in 1989, and -3.0 percent in 1990.

In the secondary sector, mining industries showed the widest variations and drops (-2.8 percent in 1986; -1.3 percent in 1987; 12 percent in 1988; -19.5 percent in 1989; and 15 percent in 1990).

From 1986 to 1990, the disposable gross national income rose by 34 percent, from 162.3 to 217.2 billion dirhams, in current prices.

During the same period, the gross fixed capital formation [GFCF] increased by 52 percent, to 50.08 billion dirhams in 1990, compared with 33 billion dirhams in 1986.

As for employment during the 1987-90 period, the annual surveys of the employed urban population made by the Directorate of Statistics, based on a representative sample, show that the urban population numbered 11,979,646 in 1987, i.e., +12.0 percent. It included 5,917,330 males in 1990 (compared with 5,305,541 in 1987), i.e., a 11.54-percent increase; and 6,062,311

females, compared with 5,391,105, i.e., a 13-percent increase. The breakdown by age group is as follows:

- under 15: 4,040,934 in 1988 (including 2,023,059 males), and 4,307,750 in 1990 (including 2,146,844 males), i.e., a 7-percent increase;
- 15 to 24: the urban population numbered 2,460,223 in 1990 (including 1,173,856 males) compared with 2,355,971 in 1988 (including 1,124,712 males), i.e., +5.0 percent;
- 25 to 44: 3,477,278 in 1990 (1,765,109 males) and 3,095,255 in 1988 (1,568,831 males), i.e., a growth rate of 13 percent;
- the urban population aged 45 to 59 numbered 1,063,706 (including 503,314 males) in 1990, compared with 1,023,622 in 1988 (including 488,230 males), i.e., a 4-percent increase.

During the period 1986-90, the general economic context was marked by the continuation of the urbanization phenomenon [and] the investment effort under economic conditions marked in turn by ups and downs in economic performance figures.

This is a recent period that testifies to the importance of the urbanization phenomenon and of the climate vagaries that determine the results of the agricultural sector, which in turn affects growth.

These established facts concerning the GDP, the GFCF, and urbanization do not suffice to isolate any function.

Nevertheless, together with other indicators, they are the factors used to assess the employment issue. The figures usually put forward, such as the annual variation of the unemployment rate, are of only relative significance compared with alarming phenomena such as urbanization, inadequate job creation, rural depopulation, unemployment over the long or intermediate term, etc. These phenomena can be evaluated as the variables in a model designed to assess and apprehend the problem of unemployment.

The object of this article is to present elements of information that are unavoidably part of a more detailed function describing the unemployment issue.

[10 Dec p 3]

[Text]

Unemployment Indicators: Beyond the Alarming Reality

In our previous article, devoted to employment-related problems, we attempted to present a few elements that are essential and indissociable in order to analyze the issue.

Our objective is merely to point out that such a framework is needed, in the form of a rational scheme that would reflect the country's socioeconomic reality.

The employment problem, we said, is becoming ever more acute.

Moreover, together with inflation, and therefore the continued deterioration of household purchasing power, it is a term in a (nearly) mathematical progression—which, by the way, remains to be identified with objectivity and discernment in the context of an analytical scheme.

The Department of Statistics, in charge of developing unemployment statistics, uses a number of concepts and indicators in its surveys of the urban working population.

Employment indicators include unemployment rates, which reflect the ratio of the working population currently unemployed to the working population aged 15 and over.

These annual unemployment rates, hovering around 15 percent, are much disputed because of the concepts and indicators on which they are based, which result in a most fuzzy and complex distribution of the working population, the latter being taken in a narrow sense: the working population is subdivided into the working population currently employed (in the narrow sense), the working population currently unemployed (in the narrow sense), and the marginal working population, namely the marginal working population currently employed and the marginal working population currently unemployed. This labyrinthine breakdown provides little help in determining who is working and who is not, and it promotes uncertainty as to the condition of each sub-population.

At the symposium on employment in Maghreb, which took place recently in Rabat, experts on employment raised this issue, which they said was "odd."

This situation deprives any analysis and consideration of an employment strategy of their objective elements. The truncated surveys of the Directorate of Statistics remain the only source of information, and one through which the alarming unemployment phenomenon is reduced to the same proportion as in some developed countries.

The breakdown of the urban population by type of activities is as follows:

Working population (employed and unemployed working population in the narrow sense, and marginal working population): 1987, 3,370,083 (2,504,591 males and 865,492 females); 1990, 3,895,126 (2,878,170 males and 1,016,956 females).

The employed working population numbered 3,293,965 (2,476,796 males and 817,169 females) in 1990, compared with 2,888,473 in 1987 (2,175,597 males and 712,876 females).

As for the nonworking population, it numbered 8,084,515 (3,039,160 males and 5,045,355 females).

During the same period, the unemployed population was as follows: 1987, 481,610 (including 328,994 males and 152,616 females); 1988, 476,123 (328,545 males and 147,578 females); 1989, 591,692 (402,831 men and

188,861 women); 1990, 601,161 unemployed including 401,374 men and 199,787 women.

Therefore, from 1987 to 1990, unemployment rose by nearly 24.7 percent. Unemployment by age group was as follows:

- 15 to 24: 1988, 221,358 (including 151,448 males); 1989, 268,250 (including 182,152 males); 1990, 273,476 (including 179,900 males).

For this age group, unemployment rose by nearly 23 percent during the period 1988-1990.

As for the unemployed aged 25 to 44, they numbered 225,471 in 1988 (including 154,694 men); 286,322 in 1989 (194,679 men); and 295,059 in 1990 (including 198,769 men).

For this age group, unemployment rose by nearly 30 percent by volume [sic] from 1988 to 1990. As the variations for the period 1987-1990 show, unemployment worsened resulting, as could be expected, in a mass of unemployed people, whose numbers were further swelled by young unemployed graduates.

In a forthcoming article, we shall consider this category of unemployed.

[12 Dec pp 1, 3]

[Text]

The Unemployment Rate: The Magic Wand

Unemployment and poverty, like housing conditions, illiteracy and other problems, are of crucial importance, and we should apprehend all their parameters in the most objective, pertinent, and exhaustive manner consistent with the specific characteristics of the country's society and economy.

As they are relevant to the most imperative question of development, they should not constitute administrative and political taboos, as is the case for unemployment, the issue that we are discussing here.

Actually the question of employment was approached and identified first as a set of problems and an alarming phenomenon in view of the job market's inability to bring down unemployment, especially among young graduates. These are the first conclusions of the National Council for Youth and the Future (CNJA). The merit of their work is that it disclosed the negative aspects of the employment issue, which had remained unknown until now.

This truly crucial issue was approached and identified, on the other hand, as a phenomenon whose scope is, after all, limited and even subsides at times: These are the conclusions of the surveys made by the Directorate of Statistics which, based on the indicators it has developed, in particular unemployment rates, states for instance that unemployment in Morocco declined in 1990. Since the indicators are supposed to be developed

in a rational, and therefore a scholarly manner, everybody—especially those involved—wonders at the Directorate's indicators, which turn into magic wands to make fertile fields out of the arid and hopeless lands trodden by the equally hopeless unemployed.

According to the surveys of the Directorate of Statistics, unemployment rates during the period 1986-90—i.e., the ratio (given as a percentage) of the working population that is currently unemployed to the working population as a whole (aged 15 and over)—were as follows: 1986, 15.5 percent; 1987, 14.7 percent; 1988, 13.9 percent; 1989, 16.3 percent; and 1990, 15.8 percent.

According to the indicators of the Directorate of Statistics, unemployment is particularly widespread among the working young (15 to 24), ranging from 27.5 percent (1988) to 31.6 percent (1986). In 1990, it was 31.1 percent.

As for the unemployed working population (an indicator used to compute unemployment rates), it was as follows: 1986, 499,373; 1987, 481,610; 1988, 476,123; 1989, 591,692; and 1990, 601,161. We first note the progressive diminution of the unemployed population in 1987 and 1988, followed by a very marked increase of unemployment from 1988 to 1989 and in 1990. These variations seem unreal when they show a decline of unemployment and questionable when they show a rise in unemployment, knowing how very unreliable the underlying employment-rate and job-creation figures are. If we consider precisely the number of jobs created which, as defined by the Directorate of Statistics surveys, represents the difference between employed working population numbers in two successive years, then 581,384 jobs were created between 1986 and 1990. During that period, the number of the unemployed would have increased only by 101,788. These figures are, at worst, aberrations; at best, they reflect the unreliability of the indicators used by the Directorate of Statistics.

Anyhow, the unemployment phenomenon is quite real, even visible and striking. To apprehend it seriously we must define it and find ways to solve it.

[13 Dec pp 1, 3]

[Text]

The Enlightened's Long March Through the Night

Unemployment among graduates is at times close to 50 percent. It often exceeds 50 percent. As even the Directorate of Statistics will admit, unemployment has become a constant of the situation. Another constant that we should also note is long-term unemployment. Among graduates, holders of a baccalaureate degree are those who spend most of their time in obscure idleness.

For nearly a decade, the Moroccan economy has seen changes in the policies aimed at restoring fundamental balances and in the measures taken as part of monetary, tax, and other strategies. These orientations have the

merit of outlining several unexpected shifts, inadequacies, or distortions at economic level, however, without offering pertinent solutions to cope with them. The complexity and worsening of certain problems conflict with these orientations, which either marginalize them because of their complexity, or merely ignore them because they do not fit in. This is the case of unemployment, an issue that arose almost without being taken into account in these orientations and for which, from the start, there was no consistent strategy.

Unemployment is a serious problem; in the next few years, it will have to be stated in such crucial terms that, to remedy it, it will probably become necessary to throw back into question some of the bases of the current economic policy. This, mostly because unemployment affects the young and the graduates. We should already rank it as a priority and undertake to define the broad lines of a veritable strategy; these broad lines should be based on reliable elements to define unemployment, exhaustive studies to understand the job market, and measures and policies likely to broaden the demand and adapt the offer to it.

We shall recall that the unemployed working population is one of the terms of the ratio that represents the unemployment rate. This unemployed working population—with secondary-school certificates and other higher diplomas—numbered 161,847 in 1987; 227,363 in 1989; and 241,558 in 1990. From 1987 to 1990, the unemployed working graduate population increased by nearly 33 percent.

According to age and diploma, unemployment turns into a veritable gangrene among the educated young with a diploma.

For those aged 15 to 24, unemployment rates were as follows from 1988 to 1990:

- secondary-school certificate: 1988, 55.3 percent; 1989, 56.2 percent; and 1990, 56.5 percent;
- baccalaureate: 1988, 66.6 percent; 1989, 76.1 percent; and 1990, 72.4 percent;
- university-level diplomas: 1988, 30.3 percent; 1989, 43.5 percent; and 1990, 55.7 percent;
- mid-level cadres with a diploma: 1988, 51.8 percent; 1989, 59.1 percent; and 1990, 49.3 percent;
- vocational school diplomas: 1988, 48.3 percent; 1989, 52.7 percent; and 1990, 51 percent.

Note the extremely high unemployment rates of young graduates. Unemployment is a constant of the employment situation, as the Directorate of Statistics also pointed out. It is a constant that is getting worse, considering that the job market has limits and that these young people are inadequately prepared to meet the requirements of a demand of which we doubt [sic] that it, too, will remain limited.

The other recent phenomenon, which is serious too, and which is a constant, is long-term unemployment.

In 1990, individuals aged 15 and over that had been unemployed for more than 12 months represented 61.6 percent of the unemployed population. The breakdown by age was as follows: 15 to 24, 62.9 percent; 25 to 44, 63.6 percent; 45 and over, 32.1 percent.

By diploma, and for an unemployment period of at least 12 months, holders of a baccalaureate degree had the highest rate of unemployment (88.1 percent), followed by secondary-school graduates (79.0 percent), mid-level cadres with a diploma (74.0 percent), vocational-school graduates (69.8 percent), and university graduates (65.0 percent).

Long-term unemployment, which affects graduates, illustrates the bottlenecks of the national economy, which prevent it from absorbing precious productive forces. This unemployment, together with that of the rest of the working population, demonstrates the inability of the production system and of the economy as a whole to generate jobs.

This situation calls unavoidably for a careful consideration of how unemployment might be reduced.

Considering that the main task entrusted to the National Council for Youth and the Future (CNJA) is to integrate these young graduates into the working population, we understand why the CNJA has taken a closer look at its actual responsibilities, namely to get young graduates integrated rather than just hired. We understand also why the Council has wanted, from the start, to implement a series of measures and suggestions in order to adapt the job offer—which it is its responsibility to manage—to a demand that is reluctant or hampered by the fact that the economic policy contains almost no provisions relative to this component of the job market.

By the fact, to put it differently, that the job market and the employment issue as a whole have never been given proper attention by the government.

[15 Dec pp 1, 3]

[Text]

Trying To Make Up for Lost Time

Two related or overlapping phenomena, unemployment and rural depopulation are black spots on the country's social and economic horizon.

Given second billing for lack of foresight, the employment issue is now threatening to cause more than one bottleneck.

Called to help, the CNJA found its vocation: it is to identify the bad seed from which the poisoned grass of unemployment sprouted.

Especially because of its complexity and of the failure of economic policies that did not include a daring and

relevant employment policy, unemployment has now become a dark and rising curve on the chart of the national economy.

No precise scheme—not to say no theory—has outlined unemployment in Morocco; that is, first, because accurate and exhaustive data on unemployment, employment, and the job market are lacking; second, and mostly, because there is no will, actually no “mobilization,” to implement a strategy in this respect. To choose an employment policy and measures designed to reduce unemployment, you must possess an adequate knowledge of the nature and causes of unemployment.

Universally, unemployment has proved difficult to quantify and to analyze.

It has been the subject of several studies and analyses, and theories—often much disputed—have been proposed. Studies and empirical work are still being performed, and the specific characteristics of societies and economies undoubtedly impose the most diverse, even the most widely diverging orientations on these studies. It is almost certain that this is also true of Morocco—or will be, as these studies are nearly non-existent and should be undertaken.

However, since unemployment is not viewed as a phenomenon linked to economic conditions, limited short- and intermediate-term solutions have been proposed. Their effectiveness will depend, among other things, on whether the phenomenon can be controlled, and also on the relevance and scope of the measures advocated.

In the context of employment policies, before the National Council for Youth and the Future (CNJA) was set up, investment codes represented the tool set up by the state to promote job creation. This tool is now challenged, and it would have been useful to know what impact investment codes had on job creation.

After the CNJA was set up, it was noticed, in particular through the 21 measures advocated by the Council to integrate young graduates, that the government had never paved the way for an effective employment policy. As a result, unemployment grew like a weed. The 21 measures alone identified the remedies of all kinds needed by the economic body and by Moroccan society, bruised as it is by the burden of unemployment.

Whether in the state-owned, mixed, or private sectors, or in local communities, everything must be undertaken to control unemployment. As for the CNJA, as it indicated itself, its responsibility is to get young graduates integrated, not just hired. The CNJA coordinates those responsibilities that no one else had taken over.

To this end, the CNJA initiated several bills concerning its 21 measures. They involve the promotion of national engineering and the reform of government contracting, projects to consolidate businesses' equity (real-estate

leasing that is making its appearance in Morocco); mutual securities, a system that is proving itself, and the mobilization of savings.

They also involve measures somewhat similar to the solidarity agreements, such as training-integration, which was the subject of a bill, and in particular the project to create an intermediation structure on the job market, to make it possible to know the structure and procedures of that market.

The integration of the young assuredly requires the implementation of a legal framework, and we should not wonder at the roadblocks and handicaps that hamper the young graduates' integration.

Although the task assigned to the CNJA does not provide that it should replace all the transmission channels of a national employment policy, nevertheless the CNJA acted as a precursor and revealed the hidden potential of administrations (25,000 jobs), local communities (37,000 jobs), and the private sector.

The CNJA also revealed that the employment of young graduates and all the unemployed will require a coordination of efforts in the context of a strategy that will change macroeconomic variables as required to aim them toward recovery, simultaneously with a production recovery and expansion. The economic policy, therefore, must include an employment function in order to achieve growth objectives.

[19 Dec pp 1, 4]

[Text]

Employment and Financing of the Economy; the Narrow Gate

Economic policy imperatives and, certainly, political and legal inadequacies as well as inefficient transmission channels have, from the start, marginalized the employment issue. Unemployment and underemployment have thus become a veritable Gordian knot, and solving them would unavoidably require a set of measures and efforts based on an analysis and breakdown of the issue.

The issue cannot be placed outside the framework of a consistent strategy. Government intervention at various levels is imperative and essential considering that all the unemployed have quite legitimately the right to work.

Unemployment among young graduates is quite widespread, as the 1990 figures from the Directorate of Statistics show. Before we review the unemployment rate of graduates, one remark is in order.

It is about those with no diploma and those with a primary education (with no job skills). For them, the average rate of unemployment is 18.6 percent (13.7 percent for the former, 23.6 percent for the latter), i.e., hardly above the national urban unemployment rate for 1990 (15.8 percent). The relatively “low” unemployment rate among “nongraduates” illustrates the imprecision of

the unemployment concept, which apprehends far too restrictively the indicator concerning the unemployed working population.

Concerning unemployment among graduates, the rates were 46.8 percent for secondary-school graduates aged 15 to 24 (1990), 54.5 percent for first-cycle secondary schools and vocational schools, 58.1 percent for second-cycle secondary schools alone, and 55.5 percent for second-cycle secondary schools and vocational schools together, still for the age group 15-24.

For university-level graduates in that same age group, the unemployment rate testifies to the seriousness of the situation it reflects: it reaches 63 percent.

All these rates reflect the alarming situation of unemployment among young graduates.

While such unemployment is not specific of the Moroccan economy and society and is encountered in other countries, it nevertheless differs through its structural and nefarious character which, considering the present state of the job market, leads to a total imbalance and a dysfunction of the elements of this market.

Recruitment goals become integration goals, an operation that calls for a smoothing out of distortions and for empirical genius.

Even in the absence of data and exhaustive analyses on the job market, we can say that this market's imbalance and the inadequacy of the demand in the face of a plethoric offer were brought about by the school system and the quality of the training provided, which do not ensure that young graduates have the qualifications required in the sectors offering steady jobs.

This imbalance is also the result of ineffective industrial and monetary strategies, which too inadequately apprehend and manage the savings and investment parameters.

In this respect, the CNJA recommended to recast investment codes in order to provide more concrete incentives to employment, and to set up a national agency to promote investment. Undoubtedly, further efforts should be made to simplify the administrative procedures concerning investment projects, and laws and regulations should be reviewed sector by sector. We should remove all obstacles in the way of investors, and they should be given incentives to create jobs.

At financial and investment level, numerous restructurings and innovations are still required. The measures advocated by the CNJA in this respect would provide safeguards and channels for multidirectional efforts. They refer specifically to an entire facet of the economic policy, the implementation of which was delayed by the adjustment and recovery policy.

These innovative measures would not only provide an incentive to job creation, they would also enable economic structures to adapt to the new mutations taking place in the world.

Taking a closer look at them, the measures recommended by the CNJA are not limited measures designed to integrate young graduates. They are macroeconomic measures and would involve the Ministry of Finance in several cases, for instance, when they recommend to develop and restructure the financial market through a reorganization of the stock exchange, the creation of openended investment funds (SICAV's, nonexistent in Morocco) to collect and invest funds, the development of venture capital, and other measures designed to collect and invest private savings.

Very little has been done in Morocco to collect private savings. They are poorly channeled. The economy remains one of indebtedness (in the banking sense) and the transition to a financial economy is not easy considering that both information and structures are restricted to a context of credit or traditional bank products. We must promote and develop all investment sources and opportunities by a mobilization of household savings. Part of these savings could fuel young-developer projects (industries, etc.).

The deregulation of bond loans issued by banks is an important measure, recommended by the CNJA. To revive the financial market, the supply and demand for securities should be enlarged to include the openended investment funds to be created, institutional investors (insurance, CDG's [Deposit and Management Funds], etc.), banks and mutual funds. Mutual funds are co-ownerships of securities and money-market assets. Worldwide, there are general-purpose mutual funds, and venture mutual funds specialized in securities issued by small and midsize businesses not listed on the stock exchange.

The restructuring and development of the financial market are a prerequisite in order to promote investment and the economy. Investment must be considered in the context of a rational and consistent policy, taking into consideration the social aspects of problems.

The question of investment as related to job creation looms large at macroeconomic level, in the context of major socioeconomic orientations and the State budget. Actually, it is the state's responsibility to act as a leader in fighting unemployment through a sustained policy of investments in large projects. The policies of privatization and austerity should not prevent the state from fulfilling its responsibility with respect to investment, job creation, and incentives to job creation. State investment, through resource distribution, promotes savings, investment, and hiring.

Spanish Businessmen's Meeting Spurs Investment
92AF0235A London AL-SHARQ AL-AWSAT in Arabic
20 Dec 91 p 10

[Article: "Morocco Encourages Foreign Investments by Hosting First Spanish Businessmen's Meeting in Tangier"]

[Text] Rabat, AL-SHARQ AL-AWSAT Bureau—Morocco's minister of foreign investments, Mohamed Alaoui M'Daghri, has announced that Spain is not only Morocco's number-two trade partner, but also counts as its number-two partner in the industrial and technical field. He explained that these relations are currently developing further in various sectors.

M'Daghri, who was speaking at the opening of the first Spanish-Moroccan meeting, said that, in addition to bilateral agreements of an economic character and Spanish financial and technical support to complete a number of development projects in Morocco, Spanish industrial investments in 1990 represented 18 percent of recognized total foreign investments in Morocco, with a value of 437 million Moroccan dirhams. He indicated that these investments included textiles; leather; farming; and the chemical, electrical, and electronics sectors.

The Moroccan minister spoke about Morocco's interest in the issue of foreign investments, especially Spanish ones, and the effort it is making to strengthen its liberalization policy, assess its economic resources, and open its private sector to diversified partnerships. He noted that Morocco provides the conditions for investors to succeed because of its economic and human resources, as well as its open horizons as a connecting link between the Arab Maghreb and Europe on the economic level. Furthermore, public authorities in Morocco want to encourage private investment.

Morocco, he indicated, abounds in raw materials; agricultural, marine, and mineral resources, suitable banking and financial systems; and an investment law that encourages investment in various sectors of economic activity. He mentioned, in this regard, a letter from the Moroccan king to the prime minister urging the administration to study the demands of investment within less than two months. The Moroccan official stated that, throughout recent years, Morocco has worked to remove obstacles to the growth of the productive sectors, doing so through measures that fall within its policy of openness to the outside.

One of these measures, he pointed out, was the repeal of the decree on Moroccanization. Foreign trade has been freed. Exchange control and the financial and customs system were undergoing increasing liberalization. Furthermore, he pointed out that the current investment policy, summarized in the Moroccan law on investments, has created offshore financial zones. It has also established industrial zones and agreements to guarantee the investments that have been concluded with a number

of countries, including Spain, Belgium, Luxembourg, Italy, Germany, the United States, Canada, France, and Sweden. These agreements grant foreign, productive investments the guarantees and protection enjoyed by native investments.

In the same context, M'Daghri stated that Morocco offers many opportunities for investment in such diverse sectors as agriculture, fishing, manufacturing, tourism, construction, services, and other fields. He adduced figures showing that the arable land area in Morocco is currently about 8 million hectares and that agricultural activities are exempt from duties and taxes until the year 2000.

Regarding Spanish-Moroccan partnership, M'Daghri said that it is not merely a means of developing economic cooperation between the two countries, but will benefit from the entry of Spanish and Moroccan contracting firms into international markets due to the advantages this partnership enjoys in terms of capital, technical assistance, technology transfer, and so forth.

On a related matter, M'Daghri noted that by virtue of its geo-strategic position and developed contracting firms, Morocco is considered for Europe, and Spain in particular, as the preferred place to send European contracting jobs to the southern Mediterranean. He pointed out that Spain, considered a bridgehead of the European Community, is called on to play an important role in the area of transferring economic activities.

It should be noted that about 1,000 persons are participating in this meeting, representing about 650 contracting companies, including 200 Spanish companies.

SUDAN

Government Daily Assails Saudi Newspaper
92AF0202A Khartoum AL-INQADH AL-WATANI
in Arabic 22 Nov 91 p 3

[Article by 'Abd-al-Rahman Ibrahim: "The Riffraff Are Back, So Are We! AL-RIYADH's Stupidities Will Not Undermine Lofty Ambitions of Advocates of Islam"]

[Text] It seems that the descendants of Musaylimah the Liar, a native of the Nejd (Riyadh), from whence came the devil's disciple, the descendants of the Khaybar Jews, and the [Qaynaqa'] clan, are still infuriated over the glories and wondrous nature of the [Sudanese] revolution of salvation. Because they are unable to say the truth under a despotic "sultan," the realm of what is allowed in the Gulf "compromise" press (the one published in Musaylimah, the liar's domain in particular), is narrow and does not go beyond social and sports reports and news about "his royal highness" and other titles in an out-of-place "kingdom." It is like a cat cockily mimicking the lion's leap.

It is the same press that haggled with the Jewish enemy for mere "promises" to stop building settlements in

exchange for "recognition;" the same press where a number of the "Abu-Jahil [those ignorant of the Prophet's message]" brothers and the Musaylimah descendants are enthroned; and the same one which has nothing else to fill its columns of wisdom except the abusive language of bad-time journalism attacking Sudan and its revolution, including revolution leader al-Bashir, and consequently, AL-INQADH AL-WATANI [THE NATIONAL SALVATION] newspaper.

This positively means that the "order" to open the Banu Hanifah's [the Saudi tribe of Musaylimah, who is known as the false prophet] artillery fire, the same fire mercilessly directed at Arab Iraq, was issued by the "Sublime Porte."

It is the same press that wages a war of words alongside the Jews and those who are contemptuous of Arab steadfastness and the rising Arab stature in benevolent Iraq; the same press that sold land for phony peace or for disgraceful surrender in Madrid; and the same one that maintained a dubious silence vis-a-vis the vicious imperialist attacks led by America and Britain against Arab, Islamic Libya, refraining from saying one word to fend off an imminent aggression on an Islamic Arab country.

It is the same press that comes out of the Banu Hanifah's AL-RIYADH newspaper, which waged its frenzied attack on Shaykh Dr. Hasan 'Abdallah al-Turabi, secretary general of the Islamic and Popular Arab Conference; on Shaykh Dr. Abbasi Madani, leader of the Islamic Salvation Front [FIS] in Algeria, who was shown no mercy during his incarceration there; and on freedom fighter Shaykh Rachid Ghannouchi, leader of al-Nahdah Movement in Tunisia, even though he is living in exile far from his native land. Some sources attribute this attack to directives issued by higher authorities to attack the three Islamic leaders.

The leaders of the rising Islamic movement are now too busy to bother with minor and trivial matters. We find Shaykh Dr. Hasan al-Turabi concerned with what the intelligentsia in the Islamic and Arab world has saddled him with: building the conference's edifice and backing the great conference's dazzling success in reconciling the viewpoints of the Arabists, nationalists, and Islamists. We find that Shaykh Abbasi Madani is locked up in the oppressive jail and Shaykh Rachid Ghannouchi is still fighting and trying to keep the alleged conspiracies away from him and his movement.

This bad-time press, which neglected to mention that the kingdom paid the communist Soviet Union \$9.5 billion to recover from its fall, is dedicating a number of its pages to a so-called conspiracy file on the freedom-fighting shaykhs of Islam without a speck of shame. But how can Musaylimah's descendants have any shame left?

The same press, which is led by the Banu Hanifah's AL-RIYADH, whose editor-in-chief is the modern-day Musaylimah the Great, known as al-Sudayri, has set aside three of its lead editorials to wage a dreadful attack on the Salvation Revolution and its launcher and leader,

General 'Umar al-Bashir, oblivious to the fact that vilification from an imperfect source is a testimony for perfection.

In its three issues of Wednesday, 25 Safar 1412; Thursday, 26 Safar 1412; and Friday, 27 Safar 1412 [4-6 September 1991]; AL-RIYADH newspaper came out with lead editorials attacking Sudan. The Wednesday editorial appeared under the headline "Sudan and the Dervishes of the Salvation Government;" the Thursday one, "Sudan and the Mandatory Tax Thieves;" and the Friday one, "Why Has the Wheel of Development Stopped in Sudan?"

Through an objective and purposeful debate, we are going to try to respond to the "compromise" press, the press of toadies and bootlickers who look like men but are anything but men.

The first editorial, "Sudan and the Salvation Dervishes," said: "Everything in present-day Sudan is strange and bizarre. There is a declared government and a shadow government raising the slogan of coexistence and long-term objectives for Sudan (this is what they admit to) at a time when the other front is adopting a ludicrous policy cloaked once in Islam, another time in Arabism, and a third time in Greater Africa."

AL-RIYADH, which comes out of Banu Hanifah's land whence came the "devil's disciple," who is now sitting on the "shaky" throne, writes with [expression unclear].

This is because Sudan, through its wise and balanced policy and its people's genius, has succeeded in establishing an Islamic and Arab forum able to conduct a civilized dialogue among the Islamists, the Arabists, and the nationalists, and to bring their viewpoints closer together. This enables the Arab and Popular Islamic Conference, the entity that gave rise to the Sudanese Islamic genius, to bring together the scattered remnants of the Islamic and Arab Nation that were severely wounded and forfeited in the White [House's] lobbies and the Kremlin's vestibules. Thus, the Islamic and Popular Arab Conference were the healing balm for both sides: the Arab and the Islamic. Indeed, the conference was able to pull the rug from under the paper organizations professing Islam. When the chips were down, these paper organizations quickly turned to the polytheists and the infidel for help, deluding themselves before the Muslims and showing their sullen, feudal face! This is what infuriated them, prompting Banu Hanifah's al-Sudayri to talk about the "ludicrous policy cloaked in Islam, Arabism, and Africanism!"

There is a story about Africanism that Banu Hanifah's Musaylimah cannot deny. Sudan proclaimed the year 1990-1991 as the Year of Africa, the same year that witnessed the downfall of African idols like the communist Mengistu who was backed with oil for five years by the government of Banu Hanifah's Musaylimah, to say nothing of the materiel he used to kill his fellow citizens, Muslims in particular. During that year, the African

Horn issue was settled and a free Ethiopia, Eritrea, and idol-free Chad came into being.

Through his persistent and diligent movement, he [not identified] was able to unify Africa and make his voice heard all the way to Swaziland, something Musaylimah's government has been unable to do. "The eye may not see the sunlight because of its disease!"

As for his [al-Sudayri's] senseless talk about a declared government and a shadow one, it has turned into groundless gibberish, and he and his modern-day Musaylimah are standing at the edge of a bottomless pit. Therefore, I challenge him to identify the declared government and to mention the name of a single member of the shadow government! People are tired of such falsehoods, since spreading lies became their stock in trade the day they allowed the polytheists to fight the Muslims alongside other Muslims and the day they gave the defeated rebellion money and materiel. They thereby added to the loot these audacious and "mighty" fighters, who raise the "two swords and palm tree" banner, plundered from the rebel movement that has been tossed in disarray, while mighty Sudan has survived intact, notwithstanding the "sectarian" conspiracies which stood with the Jews in one bunker.

As for Islam, because it is the source of everything, the salvation [government] turned to it for guidance and inspiration, announcing the application of shari'ah [Islamic law] in defiance of all the contemptuous people, and following the right path without heeding pressure or giving in to a blockade backed by the likes of Banu Hanifah's Musaylimah. The salvation government proclaimed that Sudan is for everyone, drawing up a comprehensive national strategy that has allowed it to raise its production to abundance and spread the boon throughout Sudan. The proud Sudanese people turned over the helm to the National Salvation Revolution to lead them from one safe haven to other safer havens, and, after years of aimlessness and disarray nurtured by the likes of Banu Hanifah's Musaylimah, the economy grew and prospered.

We now come to the second editorial, published under the headline, "Sudan and the Mandatory Tax Thieves." Disregarding the delirium contained in the editorial, we excerpt the following passage in order to respond to it. The Banu Hanifah liar said: "Those working in the Gulf (meaning Sudanese workers) are the source of hard currency and the only contributors to the al-Bashir government, which is controlled by highway robbers in various and ludicrous ways."

First, who said that the workers in the Gulf are the sole source of hard currency? Where, then, is the al-Bashir government's foreign trade, of which we are proud? Where are our import and export revenues? As for the highway robbers, they are the ones who put their hands on the 217 million Saudi riyals our expatriates paid during the 1988 floods!

Sudanese workers in the Gulf states, who help build the Gulf from scratch and advance it selflessly and without prejudice, offering it their expertise and the cream of their intellect, are they not Sudanese citizens who owe their country an outstanding debt that must be paid? Furthermore, where would their savings go? Did they think that the Sudanese people are an empty-headed lot who squander their wealth at gambling casinos in Europe, America, and Southeast Asia, as Abu-Hanifah's Musaylimah does!

The Sudanese are a believing, sensible, and loyal people who have families and parents to support with their income. They deserve many times more than what they are getting in return for their efforts to develop the Gulf through their rare and brilliant expertise. Moreover, they are devoted to their families and their country, willingly meeting their responsibilities with a kind of pleasure incomprehensible to the likes of Musaylimah, the evil liar who is well aware of the fact that the mandatory tax had long existed before the brilliant al-Bashir regime. Therefore, it is not an innovation, but rather a duty owed the country by its people, who fulfill it with a kind of pleasure unknown to the miserly and those who smuggle their money abroad for their amusement and who have severed the bonds of brotherhood and kinship, preferring to spend their dinars and riyals at European and American nightclubs!

And now we come to the third editorial, which talked about the wheels of development in Sudan coming to a halt. Who told Banu Hanifah's liar that? To begin with, he knows that, within a year or so, the salvation government began exporting sugar, a commodity that we were importing a few short hours before the salvation occurred! Does he also know that the Kenana [company's] sugar production this year alone will reach 5,000 tons. Is he aware of the fact that infrastructural projects, such as roads and electric power, are almost completed, and by the year 1992, people will be able to go from Port Sudan to the outskirts of Europe by car. Does he know that Libyan-Sudanese integration projects are actually under implementation and are no longer mere ink on paper? Has the Banu Hanifah's Musaylimah not heard about the electric power for Karimah, Danaqilah, and Marawi? Has he not heard about the al-Hamdab Reservoir project? Has he not heard about the horizontal and vertical development projects in the Eastern, Northern, Central, Darfur and Kordofan Provinces of Sudan? Has he not heard about Dutch and Danish aid and the Arab investors' seminar? Even though the Musaylimah government has halted its activities, Arab and Islamic capital is pouring into Sudan to build roads and projects.

This is but another example of the haughtiness and pomposity of the "compromise" press and its puppets. It is nothing but a frenzied campaign led by the Yamamah liar and his likes against the salvation government in Sudan, whose ship will continue to sail unconcerned about the wind. If you come back, so will we.

Mission of People's Defense Forces Celebrated

Outlet for Civic Idealism

92AF9224A Khartoum AL-SUDAN AL-HADITH
in Arabic 16 Nov 91 p 9

[Article: "Comprehensive Awakening of People, General Mobilization, Call For Action"]

[Text] Over the last two years, the People's Defense [Forces] [PDF] has been able to take its place, to spread throughout the country, and to cover all sectors and segments of the population. The people were waiting for the starting signal and the take-off. Therefore, we can say that the PDF was born as a full moon, and developed over a two-year period into a moon that shines with dignity, honor, and pride in Sudanese skies, removes misery, and spreads good cheer.

The Sword Alone

Since the dawn of independence in Sudan, the Armed Forces have continued to defend land, honor, and faith, and carry the banners of struggle and defense. Its members sacrificed their lives for the motherland. They had a rough life in Sudan, suffering from shortages of equipment, ordnance, and supplies, and yet they licked their wounds and took up arms against the enemy. The people watched, some with great sadness, for they lacked the opportunity to participate. Others were so preoccupied with the demands of life, the burdens of making a living, and with the avarice of politics, that the riff-raff preyed on our country and factionalism and dissension prevailed.

A Stab in the Back

A tragic, painful, and sad picture emerged late in the era of political parties: a picture of the Armed Forces watching as the government crawled humbly towards the rebellion, placating, appeasing, and selling out honor and dignity; a picture of a government abandoning high ideals and ignoring the people's will and beliefs, a divided domestic front, and slogans that welcomed rebels as heroes.

Furthermore, the Armed Forces suffered shortages of everything—equipment, ordnance, etc. A soldier would fight barefoot and naked except for residual faith in the mother country's cause, the call of religion, and the enthusiasm of dignity and honor. Certain tribes and groups organized into formations to defend the land to the degree possible and to protect and support the Armed Forces.

Era of Salvation Dawns

Out of this dark night, and just as all were at their wits' end, the era of salvation dawned, fog dissipated, and a new dawn brightened the skies—the motherland supersedes all and Sudan is an independent sovereign motherland, rich in its inhabitants, the faith of its people, and

its soil and beneficence. All must make a contribution toward maintaining the unity and strength of the motherland.

Molding the Individual

The creation of the PDF was announced within the context of a comprehensive re-molding of the Sudanese individual into a brighter future, away from a state of silence, debility, and weakness. The PDF was able to impose itself, giant and strong.

The masses were motivated—young and old, junior and senior, men and women. Their circles expanded and militarism spread throughout the land. Everyone longed for martyrdom. The love of country was cultivated and voices rose chanting the Qur'an night and day. Anthems extolled jihad and martyrdom. Thus, the people broke all ties to earthly factors, and a extreme hunger for martyrdom was planted in them. Ranks began to form. Masses of people will continue to flock to the [training] camps daily, to be attuned to the history of the nation, inspired to rise above the state of inactivity, and pushed forward towards liberation.

The essence of freedom is total rebellion against all forms of rule by man, and turning towards God with a pure soul and sincere intentions. God shall protect those who depend on Him against the evils of humans. That was the message that the messengers of Islam sent to kings and emperors. God sends us out to break free from worshipping the worshippers, to worshipping God in his oneness; to break free from the constricts of the world to the openness of the other [world]; from the oppression of the vile to the justice of Islam.

Accomplishments

Two years of accomplishments testify to the efficacy of the PDF, which reinforced the Armed Forces in defending ports, destroying enemy encampments, and contributing martyrs. Even women joined in the struggle, as attested by the al-Zahra' platoon in southern Kordofan. The "Rafidah" [aid] tent received the wounded, treated and consoled them, and offered them hospitality.

The slogans of the revolution came to life as the PDF established armed farms and created [security] zones in order to allow farmers to go about their business in tranquility, security, and stability. The PDF, in cooperation with the Armed Forces, participated in confronting armed plunder in Darfur, and in the campaign to collect weapons. In the east, for the first time in 20 years, the war-torn region was planted, after the plundering gangs were kicked out. The course of civil service was corrected after long-time deviation. A degree of control began to prevail in all aspects of Sudanese society as goals were accomplished. The PDF undertook prison reform experiments, such as in al-Gadaref, and sheltered emigrants in Malakal and al-Rank.

Total Mobilization

There were countless contributions by al-Mughayyarat Sabhan, al-Ahwal, and al-Kharsa' which planted fear in the hearts of the enemy, spread love and peace, restored security and stability to the motherland, and contributed to continuity, awareness, and the fight against illiteracy and disease.

The PDF strategy was based on the need for total mobilization and for sensitizing the people to the ideals of work, production, the general call to arms, sacrifice, and martyrdom. Nations without power continue to be humbled and humiliated. The elements of power are material goods, will, resolve, and the military. No nation can achieve independence without sufficiency in food and necessities, infrastructure, and the ability to meet its own needs. This can be achieved only through the efforts of all citizens. There will be no dignity or honor for a nation unable to protect itself.

A Greater Nation

We want to become a strong nation, and all of us must therefore make a contribution. Citizens must be ready to contribute with all their might and to sacrifice their lives and assets for the sake of religion and country. The world today pays no heed to the weak.

Sudan, with all its capabilities, resources, cultural heritage, location, history, and people, possesses all the elements of a nation that is strong politically, economically, and militarily. The first glimmers of dawn have begun to show.

Third World Salute

We are the Third World's leading edge of popular defense. We aspire to a larger role in motivating all people and in mobilizing them to act and sacrifice, face the challenge, and cultivate love of country in the hearts of the young.

We salute the Armed Forces, which carried the banner of ideals single-handedly and against all odds. We salute their martyrs and the martyrs of the PDF. We salute the National Salvation Revolution which resurrected determination from the dead. We salute the People's Defense Forces.

Training Extolled

92AF0224B Khartoum AL-SUDAN AL-HADITH
in Arabic 19 Nov 91 p 7

[Article by Ahmad Sharaf-al-Din: "People's Defense Is New Supplement to Military, Civil Service"]

[Text]

Center for Administrative Development

We interviewed Professor Mrs. Fawziyah Hasan Khayrallah of the Public Affairs Department of the Center for Administrative Service Development and one of the

overseers of the program to train public service leaders in the Nasibah 1 troops. She said that selecting the program and its executives from the academy were a good choice and exactly on target, even though the women draftees of Nasibah 1 were weak in discipline and sports ability, "but we expect to address that problem." She added that the Civil Defense program, even though mapped out, was not implemented due to the lack of time and of camp space.

Mrs. Fawziyah said that the curricula of Islamic studies were comprehensive and enthusiastically received. The program was highly beneficial to managers and leaders, especially in the areas of setting examples, behavior, and the identification of administrative, security, and economic problems. Those are all essential qualities of competent leaders in any private or governmental institution.

Mrs. Fawziyah emphasized the need to train the rest of the leaders in public services, since training plays an important role in education, behavior, and discipline. "We suggest, on the other hand, an increase in the number of military women trainers and the future implementation of civil defense programs."

Irrigation

We met engineer 'Abd-al-Wahhab Fadlallah of the Ministry of Irrigation while interviewing public service leaders who received their training at PDF encampments in al-Qutaynah. Engineer 'Abd-al-Wahhab, who received his training at al-Faruq Troop 1, made the following statement:

"Professional isolationism existed prior to PDF training camps. Each administrative group moved into its own circles and no attempt was made to meet each other. All such disparities disappeared upon graduating from the PDF. For the first time, we felt responsibility for the concerns of this land. All the programs devised by the academy for modern administration, revolutionizing public service, and cultural and spiritual programs helped establish a bond between us and played a role in enhancing performance. The experiment was worthwhile and very useful."

The engineer added: "Initially, we rejected military programs because of the age factor but, in all honesty, they were of great help. The military understood our circumstances and treated the people well." Engineer 'Abd-al-Wahhab mentioned belt-tightening and extravagance, saying that he personally benefitted by that [course?] and is applying it to his personal affairs.

Administratively, engineer 'Abd-al-Wahhab says that "after we graduated from the PDF, certain employees felt that we were "overlording" them, but all such fears and rumors dissipated after we applied our training. Certain workers even asked us to admit them to the PDF for training."

He pointed out that "previous governments failed in their attempts to treat civil service ills, so why would there be opposition to the [National] Salvation Revolution introducing a program to revolutionize public service, especially since it is a strategic objective of the revolution? I emphasize that his approach has never been taken before."

As for personal benefits gleaned by Engineer 'Abd-al-Wahhab, he said that although he was a diabetic when he began his training, "the experience for me was quite ordinary and put all people in proper perspective."

Engineer 'Abd-al-Wahhab calls for emphasis on training all departments of [government] agencies and on culling trainees from all grades, and not just a specific cadre. He explained: "Employees of other grades might feel left out. This would also help administration as a whole."

People's Defense Information Unit

Health

In private meetings with leaders of public service, we received the following statement from Dr. 'Uthman 'Abd-al-Rahman al-Fakki, Director of Training at the Ministry of Health, on his personal experience with training at the PDF camp in al-Qutaynah, al-Faruq Class 1.

He said: "As for the camp training experiment, al-Faruq Class 1 is the vanguard of reform. We were unaware of the nature of training at the camp, even through the first week but we emerged with a total and comprehensive understanding of the nature of the camp and its objectives. We gained such invaluable experiences as assurance, sound thinking, and strong spiritual motivation." That, according to Dr. 'Uthman, was a complete remake of an individual within only three months.

He added: "Nothing is impossible, because if there is a will there is a way."

On the impact of training and the program on general performance, Dr. 'Uthman 'Abd-al-Rahman said: "If nothing else, we learned at the camp that work is worship and that God expects work from those who accept wages. There should be no favors or justifications for work. We also learned about grooming and healthy bodies."

Dr. 'Uthman says he was totally cured of diabetes by the end of the first training period and added that sick rolls at the camp did not show one case of diabetes, heart problems, or colds. "The reason for that," he added, "is that activity is of value for such sufferers and that activity and athletics help the circulatory system."

As to the administrative benefits of the camp, Dr. 'Uthman said: "A graduate must possess the fundamental virtues of honesty, integrity, and self-denial. An administrator who lacks those attributes should enroll."

He added that the experiment of PDF camps was 100-percent successful, and that only those who benefitted by it are capable of developing away from favoritism, bias, dereliction, and laxity.

TUNISIA

Deputies Reject Bicameral System Proposal

92AF0193A Tunis AL-SHURUQ in Arabic

27 Nov 91 p 3

[Text] Tunis—Recently certain intellectual, university, and political circles proposed the idea of creating a second representative assembly that would take the form of a senate. It would parallel the Chamber of Deputies and would ensure, in the belief of those who proposed it, plurality and diversity of opinion on the road to establishing the course of democracy.

AL-SHURUQ contacted a number of members of the Chamber of Deputies and inquired about their views on this subject. It got the impression that the deputies unanimously rejected this idea because there were no reasons for it to be realized.

On this matter, deputy al-Habib Talibah said: "This idea has been overtaken by events. There might have been justification for it 50 years ago or more, but now it no longer has any use, especially since several countries that had previously applied it have begun to abandon it, because a senate such as the one being talked about no longer has a role to play."

Mr. al-Habib Talibah added: "I am one of those who believe that a uniform Chamber of Deputies is no longer acceptable, and that the opposition ought to be represented in it, but the opposition can be represented without a second assembly having to be created, because the natural place for the opposition is in the Chamber of Deputies."

Opening

As for deputy Muhammad Salih al-Gharbi, he is not completely opposed to the idea. He said that he had looked into it in Mauritania, which has a senate that has a legislative and executive nature. Thus, it helps the parliament and the government and gives its approval to laws that are in conflict with the will of the man on the street, but which have other dimensions that would benefit the country in the future.

Mr. Muhammad Salih al-Gharbi noted that the idea has its positive aspects, but it seems that popular and nationalistic circles are not ready to accept them.

The same deputy added that the opposition parties brought up this idea to serve their own interests, since they have had no luck in the legislative elections and they have no confidence in being nominated to the Chamber

of Deputies. They proposed the alternative as an opening for them that would set them up for representative work in the future.

Not New

Deputy Umar al-Bajawi stressed that the idea of a senate is not new, and that it exists in several countries, but that such an assembly had been brought about by a desire to correct representation in the representative assembly among states in a federation or among professional interests, etc.

Mr. Umar al-Bajawi preferred embodying pluralism in the Chamber of Deputies to creating a second one.

Resentment

Deputy Mustafa al-Masmudi opposed the idea of a second assembly in form and content. With regard to form, he affirmed that he had received the idea of a senate with some resentment because it seemed to imply that the Chamber of Deputies and its members did not understand discipline, nor the stipulations and rules of practicing politics, which could imply contempt for the role of the assembly and its deputies.

With regard to its intrinsic aspect, Mr. Mustafa al-Masmudi affirmed that "we need not go against history, because proposing a second assembly has always been linked to guaranteeing the rights of minorities. But this is not an issue amongst us nowadays, since we live under a republican, democratic, and popular system. Circumstances are such that everyone can participate, and the door to the Chamber of Deputies is open to the opposition if it wants to come in and form a pluralistic assembly. That might require that the election code be revised to give it flexibility, without revising the constitution, which is not made for circumstantial instances."

Mr. Mustafa al-Masmudi summed up his words by saying that reasons for establishing a second assembly "do not exist in our country, since there is a single political structure. There is no class that is more influential than another, such that we should provide the minority with a second assembly. The age of "lords" has passed, and returning to it now would be counter to history."

In the Near Future

On the other hand, deputy Shaykh 'Abd-al-Rahman Khalif believes that "the idea of a second representative assembly should not be brought up now. In fact, there are no reasons why it should be brought up now, because the current Chamber of Deputies is giving its attention to all issues, and the situation does not require a second opinion." But Shaykh Khalif added: "This idea might take form under other circumstances in the not-too-distant future."

As for deputy Sulayman al-Salihi, he believes that what is important now is not the creation of a new assembly,

but rather, agreement among all parties on solving the problems currently raised, on a reasonable basis.

The deputy added that the opposition could be represented through the Chamber of Deputies, without having to create a new assembly.

Public Spending Statistics Detailed

92AF0193D Tunis AL-SHURUQ in Arabic
27 Nov 91 p 11

[Text] Tunis—Yesterday Mr. Mustapha Kamel Nabli, minister of planning and regional development, held a press conference on the results of the national survey of spending and consumption by Tunisian families in 1990-1991.

The minister said that the goals of the survey, which is done every five years, were:

- to determine the standard of living of the family through its spending and analysis of its budget,
- to study the distribution of social changes on population groups,
- to identify the level and pattern of the family's nutrition and its nutritional status,
- to analyze poverty at the national level and in various regions.

The survey sample consisted of 7,734 families from throughout the republic, representing all social and vocational types. The sample was selected by modern, scientific means.

Results

The survey showed that, from June 1990 to June 1991, average annual spending equaled 4,033 Tunisian dinars per family, or 716 dinars per individual.

Spending differs according to place of residence. The urban citizen living in the city spends 890 dinars, almost twice what the rural resident spends (460 dinars).

The same results showed that there are noticeable differences among regions; the average spending of an individual in the area around Tunis is more than 1000 dinars, whereas this average remains around 500 dinars in the western areas of the country.

Growth

The level of spending during the five-year period (1985-1990) grew by 8.3 percent per year. Contrary to what it had been at the end of the seventies, spending growth in rural areas during the same period was faster than in the urban areas—up to 8.9 percent compared to 7.2 percent. This improvement in rural areas is attributable to a growth in farm income.

Poverty

Based on standards of the World Bank in defining pockets of poverty in the country, the poverty line for

Tunisia, according to what was given in the 1980 national survey of family spending and consumption, was set at 120 dinars per year per person in urban areas, and at 60 dinars in the rural areas.

It should be mentioned that the National Institute for Statistics reviews the poverty lines based on the change in the price index and family consumption, and thus, it is now estimated at 278 dinars per person in urban areas and 139 dinars in rural areas.

It is clear from this and from the latest survey that there are 544,000 persons, or 6.7 percent of the total population, from needy families whose spending per individual is under the poverty line. The number of needy persons in the cities was 354,000 (or 7.3 percent of the total population). There were 290,000 needy people in rural areas, or 5.7 percent of the total population. In spite of the increase in population, the number of poor remained stable as a whole, at around 550,000.

Decline

The last 10-year period (1980-1990) has shown a decline in the annual percent spent on housing, compared to a rise in the percent spent on clothing, cleaning, and health care. This is explained by a change in consumption patterns and comparative prices for the various categories of spending. In this respect, the studies say that the average food expenditure per person represents 40 percent of the family budget, but expenditures for housing and household goods are in second place, at 22 percent of the total family budget.

Tourism Minister Discusses Industry Status

92AF0192A London AL-MAJALLAH in Arabic
30 Nov 91 pp 62-63

[Interview with Mohamed Jegham by 'Abd-al-Latif al-Furati in Tunis, date not given; "We Are Ready To Welcome 10 Million Tourists by Year 2000"]

[Text] When Mohamed Jegham took charge of the nascent Ministry of Tourism two and a half years ago, he found himself in his element and proceeded to issue guidelines based on a number of points, the most fundamental of which were doubling the hotel accommodation capacity within ten years and achieving integration between the hotel industry and associated industries to provide recreational facilities to increase tourism to Tunisia. This is in addition to diversifying the tourist product domestically without shortchanging coastal tourism, and diversifying foreign tourist markets for Tunisia. Nevertheless, this year Mohamed Jegham faced a crisis in the tourist sector unprecedented since the first step was taken 30 years ago. In this interview, Jegham talks to AL-MAJALLAH about this crisis and its impact, as well as about the future of tourism in Tunisia by the turn of the century.

[Al-Furati] The year 1991 has been a year of crisis in tourism. What has been the magnitude of this crisis?

[Jegham] The Gulf crisis and the Gulf war, in particular, had such an impact on Tunisian tourism that, in March 1991, the number of tourists entering the country dropped 80 percent compared to the same month in 1990. In turn, 1990 had experienced a slight drop compared to 1989. The fact is that the Gulf crisis repercussions did not affect Tunisian tourism in 1990, even though they affected tourist sectors in other countries. We had to wait for the outbreak of war to feel the adverse impact on our tourism. We began sensing some improvement in April, and the situation gradually improved until August, when we regained, or almost regained, the 1990 figures for the same period. The drop was no more than 10 percent, but this improvement was not arbitrary or automatic, because we made huge efforts in the markets that send tourists to Tunisia, briefing them on the true situation and making them aware of the stability that our country is enjoying. All this has been accomplished with relative speed.

[Al-Furati] Were you expecting this slump?

[Jegham] We actually were expecting it, and although developments in the Gulf as of August 1990 did not impact on us, the situation was expected to be different when the war broke out. Tourism witnessed a 40 percent drop in the number of tourist-nights spent in our country. Our foreign currency revenues dropped 30 percent, and the number of visitors to our country dropped 15 percent. Now that the summer season, which realized an unexpected strong recovery, is over, and given the [hotel] reservations made for the post-summer period, we have revised our figures with a measure of optimism, based on available data. Tourism has witnessed a 30 percent, instead of 40 percent, drop in the number of nights spent, and an 18 or 19 percent, instead of a 30 percent, drop in foreign currency revenues, as projected in the original estimates. As for the number of visitors, it may not drop from the 1990 level in view of the tourist boom represented by many tourists coming in from neighboring countries such as Libya and Algeria, instead of the European tourists on whom Tunisia has traditionally depended. Tourists from neighboring countries often do not stay at hotels, but rather, with families or at rented apartments. The number of Algerian tourists rose 85 percent, and of Libyans 55 percent compared to 1990.

[Al-Furati] Where does the great deficit in the number of travellers lie?

[Jegham] The greatest deficit is in the number of French visitors. Tunisia used to receive about 500,000 French visitors annually, but this number has dropped 58 percent, and since they are the principal source of tourism, this gives you an idea of the loss we would have sustained had we not made up for it with Libyan and Algerian visitors. Furthermore, a sharp drop in the number of Scandinavian tourists has been noted. Whereas the drop in French tourists is due to personal choices, the drop in north European tourists is attributed to the fact that the institution that used to promote tourism to Tunisia, took

Tunisia off its list of tourist countries when the war broke out, replacing it with Portugal and Spain.

I believe the French will continue to stay away, even in 1992, in view of the violent reaction the war has triggered against the Arabs in general, and North Africans in particular. The mass media magnified their coverage of the war and the demonstrations staged in the Arab Maghreb countries, prompting the French to shun traveling in general, and to avoid Arab Maghreb countries in particular.

It must be pointed out, however, that some foreign tourist markets, such as the Italian market (27 percent) and the German market (28 percent) have maintained their normal dealings with Tunisia, and it may be noted that German tourists kept coming in, even during the war.

[Al-Furati] What have you learned from this major crisis, which has rocked Tunisian tourism for the first time since its birth in 1961?

[Jegham] We have been able to deduce a number of crucial ways on which to build our future course. We must begin diversifying our tourist markets now, by adding to the nearby European market—which will continue to be a special one—other markets, such as the American, Canadian, and Japanese markets, and the Arab Gulf markets in particular. It is true that the Arab nation is badly splintered, but time is bound to heal this rift, because Arab brotherhood enjoins us to do so. Our hope is that things will return to normal among the Arabs.

[Al-Furati] Have the popular position and positions and attitudes adopted by a certain segment of the press on the Gulf crisis had any adverse impact on the national arena?

[Jegham] Certainly, even though this situation has not influenced German tourists. Had the public and press dealt with the situation differently, the results would have been better.

[Al-Furati] What steps have you taken to contain the crisis?

[Jegham] As soon as the war was over, we made extensive efforts to meet with countries that send tourists to Tunisia. I, as well as prominent leaders from the world of tourism, took part in these endeavors. We tried to make the others understand the true nature of our positions. We were sometimes faced with difficult questions about our position on the Gulf war and the reasons behind the public's and fundamentalist extremists' positions on this issue, and even about the Palestinian presence in Tunisia.

[Al-Furati] Do the extremists have an adverse impact on tourism?

[Jegham] This may affect the typical French consumer, especially since the French are highly politicized. When

the extremists addressed messages to travel agencies, and I happened to be at a travel agency in France at that time, I definitely did not sense that this had an effect on the agency's standards or on the commercial channels that organize travel tours. However, ordinary consumers may have been affected in some cases, prompting them to change their travel plans.

[Al-Furati] Did the Algiers incident in June have any effect on what happened?

[Jegham] It sure did, but we were able to convince them that the situation in Tunisia was safe and that they had nothing to worry about.

[Al-Furati] What do you mean by diversifying the tourist product?

[Jegham] Our tourism presently is based on what is called "coastal" or "sea" tourism, but we have begun to diversify our tourist attractions. We now have three golf courses, and two more courses will be added later.

We hope to have 60,000 to 70,000 tourists come to play this sport annually, and this calls for instituting a marketing policy. Furthermore, desert tourism, which is based on small units, is making headway, and we intend to invigorate cultural tourism. Tunisia is rich in antiquities and Islamic, Roman, Carthaginian, and other cities; as well as having mountain and mineral water tourism. It has three world-famous mineral-water stations and an active health tourism aimed especially at our Libyan and Algerian brothers.

[Al-Furati] What is Tunisia's share of Mediterranean tourism, and is this share growing?

[Jegham] Tourism in the Mediterranean basin is growing at an annual rate of about 5 percent, while the average growth rate of Tunisian tourism is 10 percent annually. This means that Tunisia's share is growing, but we are facing some obstacles, namely that the number of visitors is growing at a higher rate than the country's tourist revenues. The Libyan brothers usually bring in goods instead of money, and European tourists who come to our country belong to the lower class that does not spend much. By diversifying the product and the foreign markets, we can hope to raise revenues. We ought to heed the fact that some countries are making great efforts to attract tourists with the winning cards that they hold. These countries include Turkey, Egypt, and Morocco, and perhaps East Europe in the near future, when law and order is restored there and it is able to find its way.

[Al-Furati] By the way, what are the tourist horizons for the year 2000?

[Jegham] We will continue to build hotels and tourist service institutions at a steady rate. Whereas Tunisia, over a period of 10 years, has built a lodging capacity of 100,000 beds, it is facing a similar challenge today, which is to build another 100,000 before the end of this century—in less than ten years. With such a lodging

capacity, we hope to attract 10 million tourists by the year 2000, or double the number now coming to Tunisia annually.

This requires qualified cadres, and that is why we have furnished five tourism schools, with more to be added later, and a higher institute to turn out qualified cadres for this sector. We also plan to spend 250 million Tunisian dinars (\$275 million) to clean up the environment and eliminate pollution.

[Al-Furati] Where does Gulf investment fit in all of this?

[Jegham] Wonderfully. Gulf investment has accomplished much in the past. Currently, 10 percent of lodging capacity is in Gulf hands, be they individuals, institutions, or joint banks. Furthermore, this trend is continuing, and the Gulf is financing many projects that are underway or on the way.

Public Opinion Supports Fiscal Accountability

92AF0193C Tunis AL-SHURUQ in Arabic
29 Nov 91 p 9

[Text] The echoes of the meeting held recently by the president on the occasion of the release of the Accounts Department report are still reverberating in the hearts of the citizens. The president's words are still going round in the mind of the man on the street, who appreciated his president's concern for auditing establishments, and his personal desire to protect the people's money from the mistakes of officials, whatever their rank.

AL-SHURUQ gave citizens the opportunity to express ideas which had long been buried under their fear.

Mr. Abdelhamid Ben Ali (barber) said that the president closed all loopholes that some had tried to exploit to fool around in one way or another with the people's money. It came at the right time, for the first time, at a time when Tunisia seems to be embarking on important economic reforms that require everybody to take on responsibilities, be disciplined, and do his duty without fail.

Our speaker added that the time when budgets were spent on things other than the projects for which they were allocated had ended, and the time of carelessness and negligence with the people's money had passed, "because we are determined to turn things around." Mr. 'Abdelhamid said that it was necessary to control spending and to have precise and completely transparent fiscal accounting.

Auditing

In this respect Mr. Sami Hamrani (official) affirmed that there are many ways of fooling around with the people's money, and that there were many violations in all fields, from using department cars for private matters to abandoning national projects and wasting the money allocated to them.

The citizen called for an end to this practice, which hampers economic growth and hampers the course of development. He also asked that methods of intense auditing be pursued, and asked why forceful, deterrent laws are not passed.

Duty and Security

For his part, citizen Bechir Oueslati said that fooling with the citizens' money in any way whatsoever is deplorable. It is evidence of selfishness that must be ended. That will not happen unless there is both awareness and legal deterrence. He went on to say that the duty of an official in any position is to perform his job with full responsibility, and it is the duty of the citizen to comply with what he owes the state and to quickly pay taxes and protect the country's earnings.

As for Mr. Ahmed Rezgui (official), he mentioned that nothing needed to be added to what the president had said in his speech about the Accounts Department's reports and controlling the budgets, except that it was the duty of every citizen to take heed of what was said, and it was the duty of every official to consider that the people's money was a trust on his head that must be safeguarded and used for good.

Teacher Strike Averted by New Agreement

92AF0193B Tunis AL-SHURUQ in Arabic
26 Nov 91 p 3

[Text] Last Saturday a series of talks between the teachers' union and the Ministry of Education and Science ended with the signing of the text of an agreement that stipulates that all the demands raised by the sector a month ago would be met. Teachers had decided to strike all day Tuesday over these demands, but this agreement cancelled the strike decision and made all the teachers happy.

The text of this agreement was signed by Minister Mohamed Charfi on behalf of the Ministry ; Mr. Mohamed **llal, secretary general of the elementary union; and members of the executive office of the labor union, Messrs. Abdessalam Jerad, Hadi [Ghedbani], and Mohamed Chandul. Under this agreement, opportunities would be expanded for 500 teachers holding the baccalaureate degree, and also to all teachers holding university degrees in Arabic, history, geography, mathematics, and French. That includes about 1700 teachers, and will start as of April 1992. Also, the rate of absorption would be expanded so that a total of 2,220 teachers would be studying during the next university year, and the experiment would be assessed at the end of the same year. The possibility of organizing night or correspondence classes for the teachers will also be explored in cooperation with the concerned universities and in specialties not available in the Higher Institute for Continuing Education. It would also enable teachers holding the technical diploma or its equivalent to try to pass the seventh year examination, in particular, or the baccalaureate. It would also enable teachers who do not hold the

technical diploma or its equivalent to pass the annual exam to get this diploma or its equivalent.

Contractors and Overtime

In view of the fact that the ministry was willing to settle the problem of contract teachers, it will integrate 700 of them at the beginning of January 1992, on the condition that this will continue in 1993 to end in 1994, starting at the beginning of the two aforementioned years. Contract work is to end as of the 1992-1993 academic year, and contractors will be integrated according to pedagogic standards that aspiring teachers are subject to. The two sides agreed that teachers would be invited to work overtime throughout the aforementioned years to help resolve this situation.

Regarding the granting of overtime, the following was agreed upon:

- The current value would be increasing by 100 percent as of 1 January 1991 [as published] to 31 December 1992.
- The current value would be increased by 125 percent in 1993.
- Finally, the current value would be increased by 150 percent in 1994, on the condition that this total

increase not exceed the amount set for the overtime worked by elementary teachers who have the same rank as the teachers to whom this applies.

Allotment for Countryside and Production Allotment

Regarding the allotment for rural schools, the two sides agreed that it would be calculated according to the current list with respect to the 1990-1991 year, on the condition that the figures for these schools be reviewed this year, taking into consideration whether a rural school lacks running water, electric lighting, or a paved road, in drawing up the list of rural schools at the start of each school year.

The Ministry of Education and Science also agreed to include two-thirds of the production allotment in teachers' monthly salaries, starting January 1992. It would also raise the amount allocated for correcting the tests of the sixth form examination by 50 percent per test, of which 25 percent would be retroactive and would cover the examinations of the June 1991 session. Working conditions at the test centers would also be improved. Only one point remained that was not agreed upon. It concerned basic law, and it was left open on the condition that talks on it continue during the next two months and that an appropriate solution be reached.

REGIONAL AFFAIRS

Iran Rejects Stipulations on Indian Nuclear Technology

92WP0095Z Lahore NAWA-I-WAQT in Urdu
12 Nov 91 pp 1, 7

[News report: "Iran: Stand on Kashmir Will Not Be Altered in Exchange for Atomic Technology; Before the Start of the Islamic Leadership Conference, the Indian Foreign Minister's Visit to Iran Did Not Produce the Desired Results]

[Text] Tehran, 11 Nov (PPA)—Iran has rejected India's proposal that in exchange for nuclear technology, Iran remain silent on occupied Kashmir, the deplorable plight of Indian Muslims and [the issue] of Babar's mosque and that Iran refrain from supporting Pakistan's stand on these issues. Madhavsingh Solanki, India's foreign minister, is at present visiting Iran and talking with high-level Iranian officials. According to reports received from Iranian foreign ministry sources, Iran has made it clear to India that it will not change its position on the Kashmir issue even if its stand should have an effect on India's offer of atomic technology. India has recently offered nuclear technology to Iran whereas China continues to supply nuclear technology to Iran. Last week China's foreign ministry issued a statement saying that China was helping Iran in the peaceful use of nuclear energy and this statement was later corroborated by Iran. India's foreign minister is visiting Iran on a special mission that has been described as an effort on India's part to obtain the support of Muslim countries prior to next month's Islamic leadership conference in Senegal; to take Muslim countries in its confidence; to reassure them in regard to the problems of occupied Kashmir, Babar's mosque and the dangers to the lives and property of Indian Muslims so that these issues would not be raised in the Senegal conference. According to Indian Embassy sources in Tehran, Solanki intends to visit other Islamic countries in the next few days and will try to gain support for India's position regarding Kashmir and other problems.

BANGLADESH

Adjustment to Democracy Seen Difficult, Halting

92AS0302A Dhaka BANGLAR BANI in Bengali
22 Nov 91 p 4

[Article by Obaydul Kader: "Alas! It Is Not the Luck of the Bengalis To Be Able To Understand Parliamentary Democracy"]

[Text] They come to this stone-hearted capital. They come with great hopes. Once here, they move around with high hopes. They go on knocking from door to door. They make so many requests. All they want is a job. It is that simple. A job on which they can subsist. But that hope is comparable to a mirage here. Dreams are shot

down once and once again. But still, the number of jobless persons becomes larger and larger. Finally, they join the procession of jobless people with a heart full of frustration and disillusionment. In the language of the great poet: "I move alone in the presence of all/ How the day is passed I cannot recall/ Bricks stacked upon bricks/ In between man moves like an insect/ There is no love, no play"—what is the difference between that Calcutta, on which Rabindranath wrote this poem, and the present Dhaka?

They come to the cities from far away villages and finally become absorbed by the crowd that is moving toward the cities. This continuous procession of homeless, shelterless, resourceless and hapless men, women and children is increasing day by day. What can they do? That beautiful village of Bengal is not so beautiful today. The cowsheds full of cows, the barns full of grains, the ponds full of fish—all have become the memory of the past. In the wave of scarcity, the number of the landless and jobless people increased to an uncountable proportion. The rate of production cannot keep pace with the rate of population growth. The loss of agricultural production has become a regular event due to natural calamity such as flood or drought. Terrible storms and hurricanes are taking place with regular interval causing the destruction of dwellings by the side of the rivers.

In a large portion of the village of Bengal, the majority of the people do not have adequate food or clothing. People are dying from starvation, malnutrition, and diarrhea. The whole of northern Bengal, including greater Rangpur, is on the verge of famine. The economic picture is scary. Everyone should understand the gravity of the situation when the prime minister herself described the economic condition as alarming.

Everywhere you look, you will find want and scarcity, wailing and disorder. Countless skeleton-like, male and female, with a sad and pathetic look stretch out their lean hands with beggars' bowls. Nobody knows how many floating people spend their days in starvation or semi-starvation and spend their nights in pain in this city. They make their temporary shelters on the pavement and on the platforms. They have no clothing, and how will they survive the coming winter? The world under the open sky is the address of these rootless people. They have no lamps at home and the street neon lights play jokes with their destiny. These unfortunate people are deprived of all the advantages of the lighted portion of the city of Dhaka. In total darkness and full of frustration, they placed their lives in the hands of destiny. Darkness covers their present existence and they will face the same thing in death.

Where will these people go? Dhaka has already become overcrowded. The population has increased to 7 million and 2 million live in the slums. If we try to include the number of the floating people living under the sky, the picture of the poor sector of Dhaka would become clear. This Dhaka has two different sides in the same city—one is glittery bright and the other is ugly and nasty. The

darker portion of Dhaka exists side by side the brighter Dhaka. Garbage fills up the city. The slums exist nearby the 24-story modern buildings. The rickshaws move like ants by the side of the latest models of expensive cars. Trucks, buses, and tempos move around the city releasing black smoke through the exhaust pipes. Dhaka is crowded. Only the number of people is growing in a country of 120 million. Is production increasing? Is the opportunity of employment increasing? No. There is only bad news. More than 20 million people, which include educated and uneducated, are unemployed. By the end of this century, the number of jobless people would be more than 30 million. Every year countless new faces are entering the job market. These people are poor and illiterate. Eighty percent of the population lives below the poverty line. Sixty-five percent is landless. The rate of literacy is still below 20 percent. There is a peculiar mixture of poverty and illiteracy. What an interesting country is Bangladesh.

The Dhaka University, once called "the Oxford of the east" and our great pride, is today a land of terrorism. The Chattogram University is under the control of armed hooligans. Exchange of gunfire is taking place at the Agricultural University. Although a cease-fire is in existence at the Rajshahi University, the fear of terrorism is still there. The Islami University is under the control of illegal armed groups. The Jagannath University College, after remaining closed for a long time, has reopened recently, but the atmosphere of conflict and clashes is still there. The Rajshahi Engineering College has been closed for the past four months. More than 700 hundred students are facing an uncertain future. After an exchange of gunfire, the Chattogram Engineering College was closed. Similarly, the doors of more than 150 educational institutions have been closed. We do not know how deep we would go in the ocean of lack of education bearing the curse of illiteracy. Is it not the future of the nation that lies in darkness which is being deprived of the light of education? With all these facts on hand, unfortunately, good sense and prudence are still not present in the minds of the persons directly involved in these issues. The lack of education, the people's wellbeing, and the aimless journey are still there to be dealt with.

The law and order situation is worse than the economic condition. Throughout the country people, in general, have no security. One hundred and twenty million Bengalis mortgaged their lives to the power of physical strength and to the power of armaments. The price of human life is much less than the price of salt. For no reason, people shoot people and people stab people. Brother kills brother. Friends kill friends for a simple reason. Husbands kill wives. In this society, no one's life is safe. The killers rule the country. They move around fearlessly. The robbers are robbing freely. The snatchers have got the best time in history for snatching, murders...robbery and snatching are taking place in open daylight and in front of the administration.

The illegal business of increasing subscription by coercion run by the hooligans is flourishing. In the city of Dhaka, so many incidents of looting, abduction, and holding for ransom are taking place in open daylight. Snatchings are taking place all the time at the point of a gun. Long-distance travelers, whether overland, waterway or railway, fall helpless as victims of robbery. The deep sea fishing trawlers and fishermen are the common targets of the pirates.

Where have the pigeons of peace in Bangladesh gone? They must be in self-exile. Who knows why the winter migrant birds come here in search of a sanctuary by name only. Why do the birds come here from far away places to become victims of the brutal greed of the hunters? Where is the free and open sky left here to fly and glide fearlessly?

There is no lack of writings or speeches. Statements and speeches are plentiful. The colorful balloons signifying hopes and assurances are flown. Promises are made in the name of democracy and development. But in reality, everything is blank and empty. The politicians, after coming to power, forget all the commitments they made to the voters before the election. The opposition leaders, former sympathizers of the people, turn against the people after coming to power. They do not care about anything; the existence of the voters comes to their mind when the time for another election comes nearer. Those who took part in the movement for free and impartial elections, choose the fraudulent ways in the election to remain in power. With the help of the armed hooligans they strip the people of their voting rights. Still, through the media, such as TV and radio, propaganda on the great achievements of democracy is made. Alas, constitutional democracy! The luck of the Bengalis is truly bad. Democracy is not safe in the hands of the queen bee who distributes the honey of power to others.

Until now, I did not know that no qualifications are needed to engage in politics in this country. There is no need for talent or ability to run the country. With the passage of time, we get the real picture of the capability of the persons in power. We have already known the reasons why the educated and capable bureaucrats are taking a dim view of the incapable and inexperienced party ministers. Let us now stop the discussion about politics. To be a journalist in Bangladesh requires no capability. There is no strict rule that someone must be educated to become the editor of a newspaper. Even so, hundreds of newspapers and journals are sprouting like mushrooms. In an uneducated or half-educated country like Bangladesh, there are no less readers. Is it called the independence of newspaper? Anyone can open a shop of politics at his will. There is no sign of cultivation of healthy politics or democracy. But there is no lack of political parties. Does this mean a multiparty democracy? If that is so, then we must have been in good shape for the past 16 years. We have reached the golden island of democracy and independence of newspapers.

It was learned that if votes had been cast for the symbol of an "ear of corn," the hopes for the good days would have been fulfilled. In November of last year, the United Front of three groups was born of the blood of the youth. On 6 December is the first anniversary of the second victory of Bangladesh. One year has passed after the fall of Ershad. The 20th anniversary of the independence of Bangladesh is soon approaching. What has independence brought to us? The results of the second victory are almost fading out. Terrorism engulfed politics. A cloud has covered the moon of democracy. Love to the country has become deaf. The consciousness about the nation is in deep sleep. Those, who reaped the harvest of the election as the defenders, are turning to be the destroyers. Would there be no end to frustration in the silver lining of hope? One single line comes to my mind repeatedly: "We have had enough of waiting, from December to dismal December."

IRAN

SALAM Exclusive Interview With Anis Naqqash
92WR0110A Tehran SALAM in Persian 17, 18 Nov 91

[Interview with Anis Naqqash by SALAM; place and date not given; boldface words as published]

[17 Nov 8, 11]

[Text] The interview with Mr. Anis Naqqash that follows was held prior to the international conference in support of the Islamic revolution of the people of Palestine, which we had been unable to publish before due to the accumulation of news items. With apologies to Mr. Naqqash, naturally some of the issues concerning Palestine, given the recent events, may be out of date.

We call your attention to the text of the interview in two issues.

[SALAM] France once in a while starts a propaganda campaign against the Islamic Republic. It seems to be choosing issues by which it intends to renege on its commitments. Considering your long stay in France, what groups escalate such provocations? Are these pressures imposed by the United States and the Zionists or by the internal factions of the French Government?

[Naqqash] In my opinion, France has suffered great damage as a result of the Persian Gulf war and has realized too late that it has suffered a loss, because the United States has expanded control over the oil resources of the region, imposed many economic treaties on the countries in the region, and stolen the consumer markets in these countries from the Europeans, particularly France. Unfortunately, France realized this too late and in some instances follows U.S. policies. After World War II ended, when the U.S. forces played an important role in liberating France from the Nazi occupation, they were able to establish very strong ties to some of the powers and factions in France, which continues to the

present day. The Americans tried to establish relations with some of the French press agencies and politicians in order to influence the decisions of the French Government.

Hence in some instances, it has been observed that as a result of U.S. pressures, France takes positions that are contrary to the interests of its people. At the same time, the economic factor must not be forgotten. Through the presence of multinational corporations in France or through French companies in the United States, the United States is able to put economic pressure on France. Such pressure is not clearly visible, but analysts, journalists, and individuals who follow these issues carefully are quite aware of U.S. pressures. I believe that the United States plays an important role in postponing and delaying the relations between France and Iran and creates obstacles and causes disruptions in this regard.

I believe under the present circumstances France intends to take more clear positions and improve its relations with Iran, because the economic situation of the region is such that France cannot stay removed from Iran.

[SALAM] The French press has spread the rumor that the murder of Bakhtiar was an unfinished mission and have connected it to Iran. What is your opinion in regards to the reaction of the French?

[Naqqash] This is not the first time that the French press has been mistaken, spoken in contradictory terms, and erred in their analysis and projections. Unfortunately, the French press sometimes follows raucous issues and offers various hasty analyses to its readers that have no basis in fact.

What the French press sets forth is not important to us. What is important is the official position of the French Government and the findings and rulings of the French courts, should they find information and proof that Iran has had a hand in this matter. Up to this point, the French officials have not obtained a shred of evidence to prove that the Government of Iran or any organization or force affiliated with Iran has participated in the murder of Bakhtiar. Hence, the issue remains within the framework of conjecture and speculation. Unfortunately, such prejudgments impair the relations between Iran and France. I call on the French press to deal with all issues seriously and carefully. If they have proof, let them show it and take a position. But without evidence and proof, they should not just accuse anyone they choose. This is not in the interests of the nations and governments.

[SALAM] As you know, in order to severely subdue an Arab country, the United States has made use of all international levers and now gives orders to Iraq. It has signed a security treaty with Kuwait; it has strong military bases in Turkey and strongly expands its presence in the region. What do you think is the duty of the government and the nations? What is the solution to drive the United States out of the region?

[Naqqash] First, we must try to eliminate all the factors of conflict in the region and prevent conflict between the countries of the region. I believe that there exist common ties, a common history and a common future between these countries. The United States is considered a foreign phenomenon and factor historically and in terms of the realities of the region. The countries in the region must accept that they have common interests. There people are Muslims. For the United States, nothing is important enough to plunder the resources and the wealth of the region. In order to secure its interests and impose domination over the region, the United States creates discord among the governments on the one hand and among their nations on the other. If we are able to seriously reduce the factors of conflict and eliminate this idea from the minds of Arab rulers that the United States protects their interests, then we can say that we have taken a positive step forward.

The second factor is to try to end the direct presence of the United States in the region. Once the United States is expelled from the region, it will be necessary for us to take various steps to bring the viewpoints closer and unite these countries. We must implement economic and cultural plans and programs and improve and expand their political relations, as the Europeans have done before. If we continue having our interests and internal security played with, certainly the country that wants to play the role of the great gendarme will take advantage of it.

It will create the motivations and factors of conflict among us and then, under the pretext of restoring peace, come to the region. This is the worst result of our conflicts. Hence, we must take steps to reverse it. We must try to strengthen the relations between the countries and the people of the region and end the presence of the United States, which at the present time is playing the role of the gendarme of the region.

[SALAM] How do you project the U.S. plans with regard to Iran? Considering that the United States still views Iran as the cradle of fundamentalism, are U.S. conspiracies likely to decrease in the future?

[Naqqash] The United States views Iran from two angles. First, Iran is the seat of anti-American Islam. The United States considers the Imam's line the source of the enmity of the Muslim people of Iran towards itself.

The other angle is that the United States views Iran as outside its circle of economic influence. At the present, the economic and consumer markets of a country with a population of 55 million are outside the economic treaties with the Persian Gulf countries. The United States controls the wealth and resources of these countries; it has a monopoly and has placed Iran outside its economic formulas. Hence, the United States wants both to stop the anti-American movements in Iran and also to expand its consumer goods to the Iranian markets. Therefore, in order to carry out its intentions and conspiracies, the United States tries to put Iran under an

economic embargo to prevent the export of developmental and technological tools. On the other hand, the Great Satan, the United States, issues orders to its agents to suppress the Islamic movements in the Arab and Islamic countries, as we have witnessed in the past two years.

[SALAM] Apparently, the conditions in Lebanon are becoming peaceful and the central government is gaining power. Considering the new changes that have occurred in Lebanon, how do you evaluate the future of the Shi'ites in that country? Given the fact that the Shi'ites are the majority, will they or will they not participate in the political regime and government of Lebanon?

[Naqqash] We thank God that the conditions in Lebanon are becoming peaceful and are improving, because in the domestic arena, the unrest regarding the situation was not in anyone's interest. The civil war was neither in the interests of the Muslims nor the Christians, nor any other group, because it prevented the resistance and fighting groups from confronting the main enemy (Israel). Hence, the calming of the situation in Lebanon is considered a positive factor. It is our duty to expedite peace in Lebanon, because through it we can implement our serious plans. It should not go unsaid that peace in Lebanon is different from the perpetuation of resistance against the Zionist regime. Despite calling the Lebanese factions to peace, stability and calm, at the same time, we emphasize the continuation of Islamic resistance against Israel, because Israel still occupies a part of the Lebanese territory.

But in regard to the future of the Shi'ites, I believe if there are conflicts, they must be resolved through political negotiations and not by weapons. The aid that is offered must be divided equally among the Lebanese factors, in the same way that our slogans and plans must be based on competence and equality, as opposed to the plans and programs of the (Marunis) who tried to present themselves as superior to others.

In regards to the future of the Shi'ites, my views are different from that of the Lebanese brothers. The Muslim brothers in Lebanon must not rely too heavily on the issue of power and government. The government in Lebanon is different from many governing systems in the world. For example, the Government of Iran has rich natural resources. The same is true of the Government of Saudi Arabia. Countries that have national resources operate their national economy either through taxes or industry and production. But the Government of Lebanon does not have natural resources. Hence, domination in Lebanon is based on tribal balances and not on a political and economic system. The economy of that country is operated by the wealth of investors. If Muslims fully realize the importance of growth and development and implement plans for economic development and bring the economic condition of the Muslims to a desirable level, then they will be able to play a vital role in the Government of Lebanon.

I believe that the Government of Lebanon does not have a huge amount of funds to allocate to one or another faction. In the least, we ask the present Government of Lebanon to be fair and just in the distribution of funds and the implementation of developmental and administrative plans.

In my opinion, there is nothing to be feared with regard to the future for Muslims in Lebanon. On the contrary, the Muslims proved that they have themselves been the defenders and protectors of their homeland. Many tribes fought each other in Lebanon, but the Muslims defended the territorial integrity of Lebanon and fought the Zionist enemy. This tribe must be given a proud medal of honor, because it was they who brought to life the secret and myth of the Islamic, national Lebanese resistance in southern Lebanon.

[SALAM] Considering your familiarity with the Islamic movements, how do you evaluate the situation and position of the Islamic movement in the world, especially the group of Islamic movements that have blossomed in the West?

[Naqqash] I believe that the Islamic movements have different roots and motivations. Some believe that they are following the line of the Imam. Some of these movements are truly on the line of the Imam and some are remote from it. Undoubtedly, the Islamic movements can be divided as follows:

(1) Islamic movements that serve as a blocking agent to fight the Western invasion. These movements describe Islam as the heritage of the Islamic nations and believe that any kind of ideology that comes from abroad must be fought. We cannot reject this theory, but we believe that this is not the best theory with which to confront the Western invasion.

(2) Islamic movements that fight inspired by the Islamic truth and Mohammadan Islam and carry a message for the whole of humanity. Their struggle against the West does not take the form of the struggle of the people of one region against the people of another region. Rather, it is an authentic Islamic struggle that recognizes the depth and essence of Islam. They have understood the meaning of true monotheistic unity and consider Islam a worldwide religion and the salvation for all of humanity. Ultimately, the goal of these movements is to bring salvation to all the oppressed in the world. The method of struggle of these movements is different from the struggle of Muslims who have inherited Islam from their fathers. Hence, it is necessary for us to support movements whose ideas stem from monotheistic unity and the mission of the Prophet. If we act according to this ideology, our slogans and political programs will be different from the other movements of Muslim struggles. Movements that alongside Islam believe in a specific geographical region or specific nationalism have in fact inherited Islam from their forefathers and defend it.

I do not defend Islam as the religion of my forefathers. I defend an Islam that I believe in and is the source of my internal truth. Anyone who understands himself understands God. This is an essential truth. Hence, we realize the importance of examining the Islamic movements in Europe. When we look at these movements, we are reminded of the prayers of Imam Sajjad, who said: 'O God! If you place me in hell, its inhabitants will learn that I love you.' Muslims who live in Europe live in countries with no understanding of Islam. They neither know morality, nor worship, nor Islamic customs. But Muslims stand to pray in the heart of Western cities, in the heart of Western societies, and they wear Islamic veils. No one forces them to wear a veil. There are neither radios nor television to guide them and make them aware of Islamic issues. There are neither the Islamic press nor Islamic schools. Nevertheless, we see that they insist on their Islamic authenticity and carefully observe Islamic issues and declare to the world that (God, I love you) this is a phenomenon that must be examined. When I look at this phenomenon, my morale and my trust in Islam become stronger. I feel that in the country some individuals feel threatened by the Western cultural invasion. When Muslims in Paris and London powerfully show that they are Muslims and are more steadfast in their belief than Muslims in Islamic countries, there is nothing to fear. We must learn from them how to combat Western thought. We must know how to address the world and give them our message. Our slogans must not be death to this or that country. Can we generalize between the government of a country and its policies and army and the people of that country and then say, 'O thou man! Verily thou are ever toiling on towards thy Lord—Painfully toiling—but thou shalt meet Him' [Koran 84:6] Can we call people to worship the single God by such slogans, while we are wishing death for them? It is necessary for our slogans, actions, and strides to be based on this idea. We can learn a great deal from the Muslims of Europe. For this reason, the West is afraid of them. The West, with the advance in technology that it has used in the cinema and television industry and with satellite films, can misguide the Muslims of Iran, Pakistan, and Afghanistan, among others. But, suddenly it is faced with the Muslims of Paris, London, and Germany; it is faced with Muslims who are closer to it than other Muslims. They ask for mosques. They ask for Islamic schools. They read the Koran. They wear veils and march in the streets. When it comes to this, the West announces its defeat. When the West declares that it has been unable to misguide the Muslims in the West, how could it misguide the Muslims in the Islamic countries who are far away from it?

We must emphatically return to the origins and the essence of our ideology in our actions and movements. Islam is a modern, innovative religion, which calls people to perfection. Islam calls people to a higher society, better laws, economy and science and more discoveries, as his holiness 'Ali said, Every time we perceive one of great moral character, we perceive one of great power. That is, if we do not understand the

greatness of the creation of man, we will not have recognized the greatness of the power of God. This is all for the salvation and perfection of man, which is in Islam. But if a Muslim says, Leave us to ourselves; we want to live in our own shell and have nothing to do with others, such an Islam is dead. This Muslim has no connection with the philosophy of creation.

[18 Nov p 12]

[Text] As pointed out in the first issue, this interview with Mr. Anis Naqqash was carried out prior to the conference in support for the Islamic revolution of the people of Palestine. We now call your attention to the second part of this interview.

[SALAM] In France, England, Belgium, and in many European countries, Muslims make up the first minorities. But in terms of human rights, the governments in those countries ignore the rights of the Muslims. In your opinion, what is the meaning of the claim to democracy and observation of human rights in the West?

[Naqqash] In fact, Muslims in the Western countries do perform their ceremonies and worship. But the West is afraid of the collective movement of the Muslims. Suppose you stand in a room in your house to pray. No one will bother you. But when a woman appears on the street in a veil or goes to school in a veil, it is considered a horrible phenomenon by Westerners, because veiling is considered a message. When a Muslim woman appears veiled on the streets in the West, it is like a person who speaks about Islam in a large university. When a veiled woman comes out, it raises questions. She is asked many questions. Then the woman speaks of chastity, purity, and the place of women in Islam. The veiled woman attracts the attention of many people, which frightens the Westerners.

Therefore, Westerners are afraid of the organization and the improvement of the conditions of the Muslims in Europe. The West makes pretenses about observing democracy, freedom of expression, and human rights. In many instances, we have seen that the West violates these principles. If the West realizes that its social ideas and thoughts are threatened, it will by no means observe democracy and human rights. For instance, look at the issue of Salman Rushdie. In England, there is a law that only protects Christianity. If a person insults Christianity and offends the sensibilities of the Christians, this law protects them. But if a person attacks the Muslims, Jews, or Buddhists who live in England, the followers of these religions cannot go to the courts, even though this issue has been stated explicitly in a paragraph in the human rights charter. (Article 7. All human beings are equal before the law indiscriminately and the law shall protect them and there shall be no difference between colors, races, and followers of various religions.) This is the slogan of the Westerners. But which Western country observes it? Look at England, which has created the problem of Salman Rushdie. England is a country that has committed the greatest violation against human

rights. Despite the fact that many representatives to the Parliament demanded the ratification of a law according to which these could be recognized equally among the divine religions, most of the representatives did not accept it.

It is the same in France. People are free to express their opinions and openly worship God. But they are not allowed to wear veils, whereas we believe that veiling is also a form of worship. Therefore, why do the French prevent the Muslims from wearing veils even though it does not conflict with social freedom? But with creating an atmosphere and spreading rumors they prevent the women from using the veil, because they think that veiling is dangerous for their future and the future of Africa.

[SALAM] Some Western politicians following events in Eastern Europe and the fall of Marxism believe that the only force that can stand up against the West is Islamic ideology. They believe that the 21st century will be a century of the confrontation of Islam and the West or Christianity, or as they say there may be another Crusade. How do you evaluate the success of the Islamic ideology in the arena of confronting the West?

[Naqqash] First, I want to clarify my own understanding of the West. When we speak of the West, we do not mean a specific geographical region; we do not mean particular nations on the other side of the world. In my opinion, to confront the West we must get inspiration from the school of mysticism. Our evaluation of the West is that the West is the slaughterhouse of sound human ideas, whereas the East is the source of sound human ideas and thoughts. If we deal with the issue of the West on the basis of this viewpoint, we can offer our message clearly. When we attack the West, this does not mean that we are attacking the people of France. We must not think at all of attacking the inhabitants of the West. The West is a place where human ideas have been buried. If this is our understanding of the West, we will be able to speak better to them with the message of monotheistic unity. It is not necessary to speak to them with geographical, hereditary, and regional logic. The message of monotheistic unity is the message of mysticism. The East is a place where sound Islamic ideas have stemmed and is able to bring salvation to humanity. If we act with this understanding, the percentage of our hopefulness in the victory of Islam throughout the world will increase. It is our hope that the 21st century will be the century of Islamic victory. If we confront the West with a different viewpoint, such a confrontation will be called the war of nations. It will be interpreted as a geographical war. And this is when you will have a weak position in this struggle. They possess advanced technology, and you cannot win over them with weapons. The Westerners have vast wealth and you cannot be victorious over them with your wealth. You can overcome them with the liberating truth and overpowering logic. Now we are witnessing the disintegration of Western thought, an ideology in which the human being is dead. We must try to revive the Western man, because the message of Islam

is global and inclusive. Then when we state the slogan of death to the West, it will not mean death for Western nations. Death to the West will mean the death of those concepts and values in which the human spirit dies.

Look at the environmental issue and how much the Westerners maneuver on this issue, whereas Muslims are the first people who have defended the environment. In the same way that Islam has instructed the Muslims to be clean, to perform divine instructions, and to avoid what is prohibited, it has also instructed them to protect the environment. How can we be true and progressive Muslims while we live in a polluted environment? We do not consume alcoholic beverages. We do not eat pork. But every day we breathe air mixed with diesel fuel. This is not permitted. This is one issue. Another issue is the global economy. I do not believe in any of the short-term and local solutions. Rather, I believe in global Islamic economic programs that can compete with the West. Let us offer solutions for each Western society.

If we are able to offer an Islamic economic plan to substitute for the Western capitalist economy, one in which the world banking system is taken into consideration and trade policies with poor and backward countries are fair, we will be able to be a good advertisement for the message of Islam. A message that pays attention to the poor countries, to the whole of humanity, and ultimately to the future of Islamic countries will certainly guarantee the future of Islam and will be able to claim victory over the West in the 21st Christian century.

But if we imagine that we will be able to defeat the West militarily, this is an incorrect supposition.

[SALAM] Considering the global changes (the disintegration of the Soviet Union and the Eastern Bloc and the Persian Gulf war), how do you evaluate the American peace movement?

[Naqqash] In fact, the changes in the Soviet Union have caused a disruption in the international balance of power and has changed the bipolar world into a single-polar world. But the United States was afraid that Western Europe might expand its power into Eastern Europe and create a united European community. In my opinion, the attack of the United States on the Persian Gulf was an effort to put a check on the power of Europe and dominate the oil resources and the national wealth of the Persian Gulf, as the new world order or American security in this sensitive and strategic region of the world has been one of the major goals of the United States.

We had projected that the results of the Persian Gulf war would certainly affect the issue of Palestine. Hence, the U.S. movement towards a solution to the issue of Palestine was not unexpected for us. With this action, the United States hopes to deceive the Arabs and Muslims by pretending that it intends to restore security and stability to the region. But the truth is otherwise. The truth is that the United States wants to implement its own policies and secure its domination of the region.

It is anticipated that the peace conference will not be successful because, first, a just peace will not materialize; second, the United States does not have the potential and main factors for the success of the conference at its disposal; third, the opposing factions do not have a basic common ground.

Although all the Arab countries have accepted the American peace plan, Israel still offers various astonishing interpretations of the resolutions of the UN Security Council and ultimately wants to act outside the framework of international law. Israel is not prepared to give any concession to the opposite party and insists on its positions. Hence, there will be no opportunity to deal and compromise. Therefore, we believe that the outcome of the American solution in the Middle East will be failure.

[SALAM] Considering that there are two kinds of positions taken by Palestinian factions in regards to the peace plan, what effect will these positions have on the peace process ultimately?

[Naqqash] The Palestinian factions have taken different positions with regard to the peace conference. Some of the factions, ignoring the political balances and the balance of power, have taken absolute positions based on principles. Some other factions have clarified their positions on the basis of their interpretation of the current conditions and the balance of power and without consideration for the positions based on principles.

I believe that all the Palestinian forces and factions must at least have a common viewpoint based on principles and avoid ignoring the rights of the people of Palestine, not legitimize the obstinacy of the Zionist enemy in regards to the occupation of Arab and Islamic lands, and employ appropriate tactics in regards to the current charges and events in order to get out of this deadlock easily, the deadlock that we are all caught in. In fact, the deadlock that we face has been created as a result of the balance of power in the region, and as a result of the unwise positions of the Arab governments and regimes and also as a result of the disintegration of the Eastern bloc and positions of the large countries. But in regard to the effect of the various positions of the Palestinian factions on the peace process, I must say that if these factions support the Islamic intifadah of Palestine, they will be able to affect the peace process, because the intifadah is the only factor that can have a positive or negative effect on the peace process. If the cessation of hostilities with the Zionist enemy discontinues and if the intifadah discontinues, speaking of any sort of just peace and just rights of the people of Palestine will be in vain.

[SALAM] Iran is the only country that in word and deed has expressed a position opposing the peace plan, and in Tehran it is holding a conference on Palestine. In your opinion, what is the effect of these positions on the position of the Palestinian faction and what role can this conference have on the process of the liberation of Palestine?

[Naqqash] The opposition of Iran to the American peace plan is very important, because Iran occupies a special position on the geographical and political map of the region. Iran is the base of anti-American Islam, to which the fate of all Islamic movements in the region is tied. The religious position in Iran will have a significant influence on the position of Islamic movements and the Muslim people. I believe that Iran's taking of such a position alone is not sufficient for the peace plan. Rather, all the Islamic forces that follow the line of Islam and the sacred religion are responsible to oppose the American peace plan, each fighting from their position and according to their resources against this imaginary peace and fighting American domination in the region.

Undoubtedly, opposition to the American peace plan will help the intifadah of the Muslim people of Palestine. The Muslim and revolutionary people of Palestine, who have risen up against the Zionist enemy for several years, must feel that they are not alone in this battle and that the Muslims of the world support them. If the intifadah is not given any material and spiritual help, the intifadah will face the Zionist enemy and its supporters alone and emptyhanded, and this will be considered a historical crime against the rights of the people of Palestine.

I believe there are many common points among the Palestinian factions. The most important point they have in common is the continuity and perpetuation of the Palestinian intifadah. Even those who have agreed to participate in the peace conference need support so that in the negotiations they can speak from a position of strength. Therefore, their best support is the intifadah.

Other Palestinian factions that have rejected the intifadah also need the continuation of the intifadah to strengthen their position in the holy war against the enemy. At the present and under the present circumstances, the intifadah is the only positive common point that must be strongly endorsed and supported so that at least we will be able to upset the balance of power and force the Zionist enemy and its supporters to recognize the legitimate rights of the Muslim people of Palestine.

But in regards to the conference on Palestine, which will be held soon in Tehran, as you know, many conferences have been held in the past on Palestine. But the Tehran conference will be very important, because it is being held at a very sensitive and decisive moment in the history of Palestine. I have one observation, which is that the Palestinian issue has been subject to numerous conferences; but unfortunately, all these conferences have resulted in no practical gain towards the advancement of the Palestinian issue and have not helped the Muslims achieve the goal of upsetting the balance of power.

Hence, from this conference to which all the Islamic forces and representatives of the parliaments of the Islamic countries are invited, and most of these countries have endorsed the American peace plan, we expect that instead of futile discussions and contradictory speeches we will reach a common ground. We strongly urge the participants and the hosts to change this conference from one consisting of a thousand contradictory essays to one with a common core. This core is that all the participating forces in this great and unprecedented gathering of Islamic countries decide that alongside this general and annual budget to allocate a budget for the Palestinian intifadah, as the Majles of Iran has done before.

As I have been informed, the Islamic Republic of Iran is the first country that has officially allocated a budget for Palestine. Hence, I think the greatest responsibility of the participants is to ask their countries to allocate a small portion of their national revenues for aid to the Palestinian intifadah. Also, the Palestine conference in Tehran should ratify in its resolution the establishment of a fund called the fund for supporting the Palestinian revolution to which all Muslim countries can contribute.

As it needs spiritual support, so the Palestinian intifadah also needs a great deal of financial support in order to be able to put up resistance against the power-hungry Zionist enemy.

If such a decision is ratified, for its implementation a special international committee comprised of independent personalities of the Islamic world can be established to supervise the collection and distribution of the aid and to expose the countries that refuse to offer assistance.

[SALAM] What is your evaluation of the success of the Middle East peace conference?

[Naqqash] I think the elements for the success of the peace conference are still not present. Every country, which is a neighbor of Israel, offers its own interpretation of the UN Security Council resolutions. These interpretations are considered irrational and unjust by Israel because this tyrannical enemy by no means intends to recognize the rights of its neighbors. It only relies on its military might. On the other hand, the Arab countries deceive themselves and imagine that through the United States they shall achieve a just and honorable peace. These countries are confronted at every moment with the insistence and obstinacy of Israel. These countries are not able to come to an understanding with Israel, even about the slightest concession, so that they might preserve their dignity. I see no prospects of any success for the peace conference on the horizon.

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