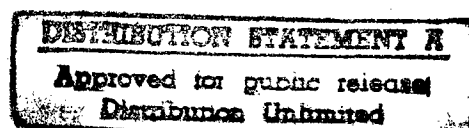


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NOTICE TO READERS: Effective 1 July 1991, items that have previously appeared in the NEAR EAST report under ARMENIAN AFFAIRS will now be published in the SOVIET UNION: REPUBLIC AFFAIRS report.

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REGIONAL AFFAIRS

Algerian Situation's Impact on Morocco Analyzed *91AA0467A Paris LE MONDE in French 19 Jun 91 p 4*

[Article by Jacques de Barrin, special correspondent in Rabat, Morocco: "Rabat Hopes Democracy Will Succeed in Algeria"—first paragraph is LE MONDE introduction]

[Text] Algeria is reeling, Tunisia is shaken, and Mauritania is astir. While its neighbors in the Maghreb are caught up in a storm, Morocco seems ensconced in a sort of political torpor, barely disturbed by the commotion orchestrated by a band of young Islamists at Casa-blanca's medical school that may cost the medical students a year's credit toward their studies.

Rabat—A good number of Moroccans continue to be concerned and intrigued by events in Algeria, which the local media are covering in a very factual manner, fearful of hazarding any commentary. Those in power who entertain the notion that the Kingdom of Morocco is a model of democracy express regret in condescendingly distressed tones at seeing their neighbor's laudable efforts to open up the political process give rise to serious lapses.

Diplomatic relations between Morocco and Algeria, broken off in 1976 after Algeria recognized the Saharan Democratic Arab Republic (SDAR), were re-established with great difficulty in May 1988. The Moroccan leaders are now wondering about the future of President Chadli Bendjedid, whose "moderation" they had come to appreciate.

Isn't it true that they counted on him for help in finding an honorable solution for all to the Western Sahara problem—as demonstrated by Hassan II's recent visit to Oran—while preparations are being made for referendum of self-determination under UN auspices, the outcome of which is somewhat uncertain? It would not be good for their affairs if events were to thrust the party bosses or the activists of the FLN [National Liberation Front] back to center-stage.

Caution Against Sweeping Generalizations

The danger that Algeria's "laboratory" of democracy may explode in the event of a mishandled attempt at "manipulation" has fears running strong in the ranks of the opposition. "It would help us if their experiment succeeded," confessed Abderrahim Bouabid, first secretary of the Socialist Union of Popular Forces (USFP). Adds M'Hammed Boucetta, secretary general of the Istiqlal party: "The push must come from all sides. It is not possible to continue living a fiction. We have not had fair elections since 1963. The game is skewed because of misguided and inordinate intervention by the administration."

Legislative elections are scheduled for June 1992 but, for the opposition parties, now is not the time to open the debate on constitutional reform for "a real Parliament and a real government." Better to avoid placing too great a burden on Hassan II whose attention is focused on the Western Sahara affair for the coming months.

"That is the absolute priority," Mr. Boucetta acknowledges. "We have already presented our demands to the king verbally," adds Mr. Bouabid. "We live in a tense climate of immobilism," says Mr. Nadir Yata, the editor in chief of the procommunist daily AL BAYANE. Nonetheless, he is pleased to see Morocco take the better role in this obstacle race to democracy, that of the wise tortoise, leaving the role of the incautious hare to Algeria....

Are the Islamists capable of upsetting this good order of things? It is constantly said here that there is no "green peril" on the immediate horizon. "Sweeping generalizations must be avoided," official circles insist. It is true that, here in Morocco, the religious terrain has always been firmly occupied by the king, whose title of "Commander of the Believers" places him at the higher end, and by the marabout-led movements at the lower end. Not only that, Morocco has not known Algeria's and particularly Tunisia's more or less dissimulated attempts to secularize society that fueled fundamentalist discontent.

Nonetheless, in the name of moral rigorism and social justice, which are highly successful sermon themes here, the fundamentalists are working to hasten the advent of Allah's kingdom. As far back as the 1970s, the rise of Leftism triggered the creation of the Islamic Youth Movement, which was involved in the assassination of Omar Benjelloun, a member of the USFP's political bureau. Back then, Mr. Abdessalam Yacine, leader of the underground association El Adl Wal Ihsane (Justice and Spirituality) went as far as to give advice to Hassan II's government in an open letter entitled "Islam or Deluge." His impertinence immediately landed him in a psychiatric institution.

Today, Justice and Spirituality is bereft of any means of expression or command: Its leader is under house arrest and the members of its steering committee are behind bars. Within the association's category, there is the Abdelilah Benkirane's Islamic Assembly, which is considered "moderate," as well as brotherhoods devoted to educating the masses. The government, accused by the opposition of using the fundamentalists as convenient troublemakers on occasion, has employed all manner of tactics ranging from manipulation and intimidation to repression to contain the "green peril" without ever seeking a head-to-head confrontation with it.

However, while some 100 Islamists are in prison serving sentences for "disturbing the public order" among other counts, royal vigilance has not blunted the determination of certain Islamists who no longer hesitate to unfurl their banners in the streets. For instance, they were seen

in May 1990 at a demonstration in favor of Palestine; on 3 February at a march in support of Iraq; and during the traditional May Day parade. They are trying to infiltrate labor unions and universities, particularly wherever there is a vacuum to be filled as at Casablanca's medical school.

Another Look at the Islamists

The political world, which had dismissed them until then, is beginning to eye them with interest. Mr. Bouabid explains that the Islamic Salvation Front (FIS) [in Algeria] "is not a fundamentalist movement. It seeks stability and expresses the views of the man in the street." He says he is ready to enter into a dialogue with his own country's fundamentalists—who include "respectable and competent figures"—in order to hear what they have to say. The same indulgence and the same refusal to make any prejudgments was expressed by Mr. Boucetta: "They should be viewed as partners, not adversaries. They want a return to the traditional values of Islam. Our program is not very far from theirs."

The Islamist movements have become a durable facet of the local political scene, although unable to wreak havoc. Will the political storms now raging in Algeria act as a tonic on them? "Hassan II does not lack maneuvering room," said a university academic. "He maintains contact with the fundamentalists. They do not have the means to dictate his behavior."

The five countries of the Arab Maghreb Union (UMA) are expected as members to keep pace with each other, politically and economically. "The union will not be a solid one unless there is democracy in each of the member states," Mr. Boucetta remarked. Nor will the union be long lasting if there is trouble in the Algeria-Morocco relationship (in a way, the UMA's equivalent to the EEC's Franco-German relationship). As a gauge of Algiers' good will, Rabat can find no better test, for the moment, than the Western Sahara, an old bone of contention between neighbors, the outcome of which is all-important to Rabat. In the eyes of Hassan II, the peril still lies along Morocco's borders.

PALESTINIAN AFFAIRS

Rising Wave of Internal Violence Analyzed

TA1306163191 Tel Aviv MA'ARIV in Hebrew
13 Jun 91 p 4

[Article by Amos Gilboa]

[Text] The wave of internal murders among Palestinians in the territories continued this week, a wave which has clearly been rising over recent months, as opposed to a sharp drop in the number killed by IDF [Israel Defense Forces] fire.

To date, over 430 Palestinians have been murdered by their brothers since the beginning of the intifadah. If this slaughter continues, then—within a short time—over 50

percent of Palestinian intifadah casualties will be the result of self-elimination. A small minority of those murdered are what is known as "collaborators." The overwhelming majority were murdered as part of some criminal settling of accounts, for behavior contrary to Islamic moral precepts and as a result of internal rivalries between the various terrorist organizations. Similarly, an increase in violent activity on the part of individuals—mostly through the use of fire arms—has recently been especially evident.

These are all symptoms of an intense process going on in the territories—the intifada is flickering, maybe even dying, three and a half years after it started. There are several indications of this in the field: The recent and public reevaluation by the Palestinian population and the new body established in the territories this week by young people—the Palestinian National Unity Party—which is calling for an end to the armed struggle.

The masses no longer go out into the street, merchants tend to strike less and restaurant owners tend to open in the evenings more and more, parents are starting to act to prevent violence in the schools, and so on. In short, the slogan that the intifadah has become a way of life has been proven wrong.

In general, the perception in the territories is one of having lost the way and of a huge gap between the past great expectations and the difficult reality, where the tangible result—from the population's perspective—is the taking over of their lives by street hooligans.

There are many reasons for this, and the most immediate ones are: the Gulf war, the weakening of the PLO, and the severe economic crisis in the territories which followed. Into this situation, without some success, came a wise Israeli security and civilian policy.

But the intifadah is not yet dead. There is still Hamas and there is still hate, and there are the unforeseen events, etc.

ALGERIA

Publications in Berber Languages Increase

91AA0443A Algiers ALGERIE-ACTUALITE in French
23 May 91 pp 24, 25

[Article by F.C.: "Do You Read Berber?"; first paragraph is ALGERIE-ACTUALITE introduction]

[Text] Timidly, Algeria is opening up to its ethnic minorities. The Berber-language press is struggling for acceptance. It has already gained some ground....

One day the young Berber author Amar Mezdad went to offer his manuscript to ENAL [National Book Publishing Enterprise]. The official who received him directed him and his manuscript to the department...of foreign languages. This true story perfectly illustrates the isolation in which Algeria's cultural patrimony was

imprisoned. Today, at last, our unfortunate author would stand a better chance of getting published in Algeria, rather than being forced to approach foreign publishing houses. The October liberalization is going to allow private publishers to put out on the market those classic works, already published elsewhere, that actually talk about us. These banned works, circulated clandestinely by audacious risktakers, are now sold openly. The active Bouchene publishing house, aware of the keen interest in Berber language and culture, has started a "Berber series." Bouchene has just reprinted Salem Chaker's excellent *Imazighen Ass'a* (*The Berbers Today*), the first edition of 10,000 having sold out. Tassadite Yacine, a prolific Algerian academic living in France, is finally seeing his works published in his home country. His latest, *Ait Menguellat chante* [*Ait Menguellat Sings*], is a best-seller that enables those who are not fluent in Berber to get to know this monument of Kabyl poetry.

Mr. Bouchene is opting to reprint important works and seeking out respected academics. He has brought in as collaborators two excellent connoisseurs of Berber language and culture, T. Yacine and S. Chaker. Of course, this rather prosperous publishing house does not take many risks: It prefers to publish high-quality books, well-known authors who have proved their capacity. For now, it is content with its strategy: Its products are selling like hotcakes. But its lack of courage penalizes talented young authors who need support if they are to succeed commercially. In the publishing world, one sometimes has to take risks: "I don't want to experiment. My aim is to promote scientific works and to publish, here in Algeria, all the important works that have appeared in France relating to our cultural patrimony," Bouchene explains. Although he may not intend to neglect any aspect of popular culture, there are too few works relating to Berber culture; a very tiny fraction is being explored, that of the Kabyl domain, where research is increasing thanks to the efforts of Berberizers who have been breaking new ground for several decades in Algeria and most of all in France. The other regions, such as M'Zab, Aures and the Tuaregs, have less going for them: "I am interested in everything having to do with the cultural patrimony, but I receive almost nothing on aspects of Berber culture other than the Kabyl. Since 1962, there has been almost nothing. Now that the taboos have been lifted, we should move very quickly to make up for lost time," he adds.

Publication of the works relating to our patrimony is still in its beginnings. In 1991, 108 years after his death, the writings of Emir Abdelkader remain unpublished. Only a few well-informed individuals even know that behind the indefatigable warrior and statesman there beat the heart of a peerless poet, who composed the most beautiful verses—love poetry, primarily—but only for the eyes of a female cousin. But even though the emir-poet's have not been published, the few Berber books that do get to market are remarkably successful. By way of example, *La grammaire berbère* [*Berber Grammar*] by Mr. Mammeri, published in 1976 by Maspero, is in great

demand; an S. Chaker classic, *Textes en linguistique berbère* [*Readings in Berber Linguistics*], published in 1984 by CNRS [expansion not given], will be reissued by Bouchene. Book lovers will be delighted to know that the latter has just reissued almost all the writings of the authors, *Du fils du pauvre* [*Child of the Poor*] and *La colline oubliée* [*The Forgotten Hill*].

The Tamazight language now has its own publisher, something that would have been unthinkable two years ago. The idea sprang up after the appearance of the first Tamazight-language newspaper ASALU, which was launched by the RCD [Rally for Culture and Democracy]. Ramdane Efeini, manager of Asalu publications (established in 1990), has an approach to publishing quite different from Bouchene's. Although he does not have the latter's resources, Ramdane has decided to go after new talent: "To me, a publisher's dream is to discover a Kundera, a Kadare, a Naguib Mahfouz, a Dib, a Mammeri, a Yacine. Someone who can help us come to terms with ourselves, our language and our culture. We are not going to play at being censors," Ramdane adds. His publishing house receives collections of poetry but does not publish all of them. Poetry doesn't pay the rent. Asalu has just published novels by S. Sadi (*Askuti*) and Amar Mezdad (*Id Dwas*), or *Night and Day*. This publishing house even took the risk of publishing a book by Hend Said on recreational mathematics. Currently it hopes to translate from French to Kabyl the works of Mouloud Feraoun, particularly the stirring *Jours de Kabylie* [*Days of Kabylia*].

Who can actually read works written in Berber? This very legitimate question goes to the status of the Berber language: repudiated, barely tolerated, preserved basically as an oral tongue. Indeed, the need for secrecy spurred thousands of Kabyl youths to learn their own language. The works of Mr. Mammeri (*La grammaire berbère*) and R. Achab (*Initiation à l'écriture*) [*Introduction to Writing*] have served to train generations of Berber-speakers. Paradoxically, less than half of these young Berber enthusiasts are students or white-collar types. Many are rural youths living in villages, though we should not forget the influence of the University of Tizi-Ouzou, Algiers in the 1970's, or the various centers in France. Documents on Berber language and culture have circulated widely among those interested in the subject, despite the bans, which if anything added to their allure.

The growth of the cultural association movement has also played a major role. At present, more than 180 Berber cultural societies are active. Almost every village has its own association. Members learn the language from each other, with the help of books and references like Mammeri's. Besides, the publishers' biggest customers are the book shops of Kabylia and the country's biggest cities. When it first came out, S. Sadi says that in one afternoon he autographed more than 350 copies of his novel.

In any case, Algeria's cultural patrimony remains largely undiscovered country, be it Berber, Tuareg, Chaoui, Arab or M'Zab. The publishing world must rise to the challenge, now that the taboos concerning our cultural heritage have been lifted.

Commentary Examines Ghazali Government

91AA0468A Paris LE MONDE in French 19 Jun 91 p 3

[Commentary by Georges Marion: "Ghozali Has Formed a Broader Based Government"; first paragraph is LE MONDE introduction]

[Text] Mouloud Hamrouche, the outgoing prime minister, transferred the powers of his office to Sid Ahmed Ghozali, his successor, at a ceremony on 17 June at the Government Palace in Algiers. The ceremony preceded by a few hours the announcement of the composition of the new cabinet that, for the moment, is made up of 27 ministers. Six of the ministers served under the previous government. None has any significant responsibility in the FLN [National Liberation Front]. On 17 June Ali Belhadj, the deputy leader of the FIS [Islamist Salvation Front], was accused by the local authorities of "approving a plan to establish an armed organization to destabilize state institutions," whose personnel would reportedly be recruited in France. According to APS, this report relates to the first elements of an inquiry carried out by the Gendarmerie after the arrest of Didier Roger Guyan, a French citizen, on 9 June at Bordj-Bounaama, more than 200 km southwest of Algiers. Furthermore, La Ligue Algerienne des Droits de l'Homme [Algerian Human Rights League] asked on 17 June that the state of siege be lifted and requested the names of the senior officers charged with applying it, "so that they can be seen and denounced in the future if they violate the laws."

The entourage of the prime minister had let it be known: the new government, which has a life expectancy of about six months, will reportedly be composed, for the most part, of people chosen for their competence and not as a function of their political allegiance. The results are in accordance with this promise: several of the new ministers are little known on the political scene or have even been forgotten. Apart from Ghozali, himself still officially a member of the Central Committee of the FLN—but for how long?—no new cabinet minister has any major position within any political party.

As far as that is concerned, the new cabinet is composed of people who have some political convictions. Indeed, a number of its members tasted politics within the FLN when it was the only political party allowed to exist and was a required training ground for a whole generation of party militants or officials tested in the fire of the struggle for independence and enthusiasm for the development of the country. Many of them have also been members of preceding governments. However, since then all of them have withdrawn from a political party with whose practices they had disagreed, sometimes

publicly. The distinctive feature of the Ghozali government is that it is no longer marked with the seal of the FLN, which has thus become a political party like any other.

Six ministers of the new government belonged to the cabinet of former Prime Minister Hamrouche, including Major General Khaled Nazar, the minister of national defense, who holds the same position in the new government. Considering the state of siege, this decision is logical, after all, although the small Algerian political world has said that the government is ill and not long for this world.

Is it because of the bad image induced by the state of siege that the government includes in its ranks, for the first time in Algeria, and no doubt in any Arab country, a minister delegate for civil rights? In any case the symbolic step will not escape the attention of anyone, although the country intends to show that it has chosen the path of democracy and that many Islamic fundamentalists openly compare the rights of man to those of God.

Ali Haroun, who holds the portfolio of minister delegate for civil rights, is a business lawyer and was a leader of the important French section of the FLN during the struggle for independence. Like a few other members of the new cabinet, he does not hide his critical views regarding the political course that his country was following. Within the government he will again meet with Ali Benflis, the minister of justice and one of the founding members of the Algerian Civil Rights League who had already held the same portfolio in the preceding government.

One woman—only one—was appointed minister of health. She is Nafissa Lalliam, a gynecologist and a professor of medicine and a militant advocate of independence from the very beginning. She was a member of the MTLD [Movement for the Triumph of Democratic Liberties], a crucible from which many leaders of the Algerian revolution came. Nafissa Lalliam had achieved some notoriety when she clashed with the fundamentalist Muslims in her place of work. She tried to make them dress in suitable hospital clothing.

A Team of Friends

Ghozali, as one might have expected, has brought together a team of friends around himself, fellow workers whom he had met in the course of the different stages of his petroleum or ministerial career. (The new prime minister had long been the "boss" of Sonatrach.) This is the case with Lakhdar Brahmi, new minister of foreign affairs, deputy secretary general of the Arab League and, as such, a negotiator between the different Lebanese factions.

Energy, a strategic position in a country that basically lives on its exports of natural gas and petroleum, was turned over to Nordine Ait Lahoussine, a long-time and close associate of Prime Minister Ghozali at Sonatrach. Finally, Abdelatif Rahal, minister of the interior and a

former ambassador to France as well as a former minister of higher education, is also a former secretary general of the Ministry of Foreign Affairs. He is reputedly a close associate of Bouteflika, former minister of foreign affairs under President Boumediene.

The desire to form a more broadly based government was shown by the appointment of Hocine Benissad, professor of economy at the University of Algiers, to the delicate position of minister of economy. Although he was not himself a member of the Socialist Forces Front (FFS), Benissad had been a candidate in Algiers under the banner of the party of Ait Ahmed, in the elections of 27 June, which have now been cancelled.

Finally, special attention should be paid to Aboubakr Belkaid, the new minister for relations with Parliament. A senior civil servant and several times a cabinet minister during the 1980's, particularly as minister of the interior in the government of Kasdi Merbah, just after the riots of October 1988, Belkaid will have the delicate task of handling relations with an FLN angered by divisions and splits but still a political force which must be considered.

He will also have to be the point of contact between a government, which is no longer controlled by the FLN, and a National Assembly, which dates from the time of the single political party. Almost all of the deputies in the assembly still bear the FLN label. Hamrouche had controlled the National Assembly with a whip hand, often forcing it to bow to his wishes. Ghazali prefers to charm people. To fight against the FIS, he hopes to lay the foundations for a hitherto impossible alliance between a renewed FLN and the democratic parties. This is a measure of the task assigned to the new minister for relations with Parliament.

Commentaries Profile New Cabinet Ministers

Foreign Affairs Minister

91AA0470A Paris LE MONDE in French 19 Jun 91 p 3

[Article by Francoise Chipaux: "Lakhdar Brahimi, Foreign Minister: a Tireless Mediator"]

[Text] The Lebanese know his tall but slightly stooped silhouette very well. For this experienced diplomat the search for peace in Lebanon was only the latest of a series of delicate missions.

Born in 1934 south of Algiers in the high plateau area, and holding a degree in law, Lakhdar Brahimi left the Institute of Political Studies in Paris in 1956 to represent the FLN [National Liberation Front] in Southeast Asia in the middle of the war of independence. Later he was appointed delegate of the GPRA (Provisional Government of the Algerian Republic) in Tunis and in Cairo. In 1963, when he was 29, he was the first ambassador of the Algerian Republic in Egypt and permanent representative of the newly independent Algeria to the Arab League. It was during these seven years (1963-70), from

the high point to the decline of Nasser when the whole Arab world—leaders, oppositionists, and political refugees—passed through Cairo, that the young ambassador developed a broad network of acquaintances that has lasted up to the present. After Nasser's death he was appointed ambassador to London, a position that he held until 1979, when he returned to Algiers. He was a member of the Central Committee of the FLN from 1979 to 1984. From 1982 to 1984 he was diplomatic counselor to President Chadli Bendjedid, for whom he carried out a number of difficult missions, such as mediation between Syria and the PLO after the Israeli invasion of Lebanon. His relationships with the Palestinians date from his period of duty in Cairo. He is a member of the Board of Directors of the Institute of Palestinian Studies.

However, he fell into disgrace in 1984. President Chadli, ill at ease with the officials from the administration of President Boumediene, split with Brahimi, and the latter left Algiers for Tunis, where he took over the post of deputy secretary general of the Arab League, a position that he still holds. There again he had occasion to display his talents as a negotiator, particularly during the bloody battle of the Palestinian camps in Lebanon. This struggle, which began in 1985, was between the pro-Syrian Amal militia and PLO soldiers. During the fighting he obtained sufficient Kuwaiti aid for the PLO to ease the limits that restricted them.

At the time of the first attempt to resolve the Lebanese crisis by a committee of six Arab states presided over by Kuwait, he was chosen as a special representative. In this capacity he made many trips, some of them dangerous, to Lebanon. During one of them, when bombs were raining down on Beirut and he was presiding over a delegation, which included the Kuwaiti ambassador to Damascus, he was able to work out a truce of nearly three months, to the great relief of the Lebanese. He was again appointed a special emissary of the tripartite Arab committee (made up of Saudi Arabia, Morocco, and Algeria) after the Casablanca summit meeting.

This diplomat is a tireless mediator, both warm and distant at the same time. He believes in the value of human contacts. On this occasion he moved between all of the interested parties, including Lebanese, European, American, and UN representatives without a letup and without excluding anyone, pleading the cause of Lebanon.

After the Taef agreement was reached, putting an end to the civil war, the incredulous Lebanese came spontaneously to offer him flowers to thank him for his efforts. He avoided expressing any sign of victory, even stating: "If we have succeeded in giving a president and a government to Lebanon, it is only, perhaps, 10 percent of the job to be done. However, this is an enormous step." Today peace reigns in Lebanon, and Brahimi certainly contributed to this achievement.

The return of this independent and politically courageous man to the government in Algeria—he knows how to be very critical, even at the risk of offending people—is one of the signs of a desire for change by the new prime minister, who is a good friend of his.

Energy Minister

91AA0470B Paris *LE MONDE* in French 10 Jun 91 p 4

[Article by Veronique Maurus: "Ait Laoussine, Energy Minister: a Sign of International Openness"]

[Text] The nomination of Nordine Ait Laoussine to the position of minister of energy has had the effect of a bomb in international petroleum circles. Although he is only 55, this smiling sports fan who closely follows soccer and is a jogger, is in fact one of the "historical figures" of the petroleum industry and one of the most effective experts in the world for OPEC. His return to Algeria to a position of the first importance, after 12 years on the sidelines, appears to be a symbol of the spirit of openness of the new government.

This brilliant technocrat was born on 4 April 1936 in Algiers. He was trained in American universities and holds a degree in petroleum geology from the University of Michigan. At a relatively early age he was assigned a position close to the drum fire of current affairs. He was only 34, after rapidly rising within the Ministry of Mines and Energy, when Belaid Abdessalam, the leading figure in the petroleum industry and the economy, appointed him vice president of Sonatrach alongside Ghazali. Assigned responsibility for hydrocarbons, he became one of the principal negotiators of the 1971 agreements, which led to the nationalization of the petroleum sector.

Some two years later the petroleum shock of 1973 placed him at the center of the long-running thriller, which had the whole world holding its breath for nearly 10 years. In charge of trade and international negotiations at Sonatrach, he attended all of the OPEC meetings, replacing "his" ministers, Abdessalam and then Ghazali, as the head of the Algerian delegation on several occasions. He was also responsible for negotiations on natural gas. He signed most of the contracts that placed Algeria among the largest exporters of liquefied natural gas.

In 1979 his career was brutally interrupted. He was a victim of the disgrace that affected the entire team of Abdessalam, after the election of President Chadli and the appointment of Belkacem Nabi as the new minister of petroleum. He had to leave Algeria. From Geneva, where he established Nalcosa, his own company of consultants, he witnessed the complete reversal of the trade policy of his country. Disregarding the laws of the market place, Algeria tried to impose conditions that were considered exorbitant and lost half of its natural gas customers.

Sharply attacked by the Algerian press, which accused him of "treason," he nevertheless continued to follow

closely the work of OPEC, concerning which he is one of the best informed experts. The departure from office in 1988 of Belkacem Nabi, the minister of petroleum, ended his period of disgrace. With his position now restored Ait Laoussine still remained in "reserve" status, and he limited himself to providing discreet advice to Sadek Boussena, the new minister of petroleum.

His return to the limelight is evidence of the desire of Prime Minister Ghazali, of whom he is a faithful friend, to reassure international economic circles. Apolitical and enjoying a good reputation among the petroleum companies, Ait Laoussine is no doubt in the best position to convince customers and investors to return to Algeria once again. He will continue to follow the policy of openness pursued by his predecessor for the past two years, which threatened to be halted after the riots caused by the Islamists.

The task of the new minister of energy, responsible for this "nerve of war," that is, the receipts of foreign exchange by the country, is nonetheless very delicate. In fact the present level of international prices for crude oil is not high enough to make it possible for the country to pay its debts as they come due and to take care of its vital needs. However, isolated within OPEC since the Gulf war, Algeria has few means of convincing the other producing countries to maintain higher prices. Despite his competence Ait Laoussine will have very little time, between now and the next elections, to reverse this situation.

Commentary Views Role of France, Army in Crisis

91P40336A Paris *LE CANARD ENCHAINE* in French 12 Jun 91 p 3

[Text] "It is not Algiers that is in a state of siege, but rather the group in power." Several French diplomats assert that not only did the army force former Prime Minister Hamrouche to resign, it also insisted that Chadli and his new government head, Ghazali, grant the Islamists what they had just refused them bluntly, i.e., legislative elections and an early presidential election.

The pessimistic version is that two and a half years after the bloody riots of October 1988, it is perhaps the end of the road for the Algerian leaders; the bearded ones will soon be in power. The optimistic version is that one must not swear to anything yet because Chadli's team still has the possibility of maneuvering.

For the past year Chadli's team has not hesitated to do just that. Shortly before the local elections of June 1990, Mouloud Hamrouche, then prime minister, was received at the Elysee Palace [official residence of the president of France]. This meeting was secret, since any direct contact with Paris and Mitterand would be dangerous for those who are considered, in Algeria, "the French party."

At the French Foreign Ministry, they summarize the proposals of Hamrouche, who is merely the interpreter

for the ruling group within the FLN [National Liberation Front], in this way: Before Francois Mitterand, the Algerian prime minister lamented the fact that the Islamists of the FIS [Islamic Salvation Front] would not be able to capture more than 15 percent of the vote during the municipal elections. Thus it would be impossible to portray them as a threat and push the Algerians to vote for the FLN.

Several weeks later, the "threat" captured approximately 60 percent of the votes, and the FLN had to deal with the situation.

Next they prepared for the future legislative elections—concocted with an FLN sauce, of course. With the advice of French specialists, who were not responsible for this artistic butchery, they gerrymandered the districts in order to prevent the Islamists from obtaining a majority of seats in Parliament.

This ploy was well executed, but the law did not seem sufficient, and they started maneuvering. Like all the political parties, the FIS is infiltrated by military security. They stirred up differences among FIS leaders, incited the extremists, pushed them to make mistakes, and then denounced the FIS as "factious" in the government press.

In Paris as well as Algiers, no one saw anything coming. The French Foreign Ministry received telegrams from the French Embassy in which, essentially, mention was made of the Islamists' failures in governing the municipalities they headed and their fear of losing the elections. On 25 May, at the end of his visit to Algiers, [French Foreign Affairs Minister] Roland Dumas spoke politely of Prime Minister Hamrouche's "sangfroid" and "clarity of vision."

Two weeks later the Islamists were in the street, the police were too lethargic toward them, the situation became unmanageable, tanks were called out to restore order, and, curiously, all of the secular political parties (except for Ait Ahmed's Socialist Forces Front) applauded the state of siege.

The new prime minister met with leaders of these parties and admitted that the electoral law would allow the elections to be fixed. FLN Secretary General Mehri, in Switzerland, telephoned Rachid Ghannouchi, president of the Tunisian underground Islamist movement, and asked him to make contact with the FIS. It was then that the army leaders, who, apparently did not want to be responsible for another bloodbath, made the Chadli-Ghozali team give in and promise "honest" elections.

Is this an armistice or halftime? We are waiting impatiently for the next military or civilian maneuvering.

Commentary Says Morocco Has No Legal Claim to Sahara

91AA0401A Algiers AL-MUJAHID in Arabic 10 May 91
p 17

[Commentary by Mohamed Yahya Wahhab]

[Text] If we are permitted to differ regarding the method of solving a problem that floats on the surface, or sinks to the depth, are we permitted, logically, to keep the problem of the Western Sahara in a "loud" corner of our large, new, North African house?

As we attempt to establish a firm foundation for the North African identity, are we permitted to ignore the problem of an entire "people" solely because a party to solving the problem does not accept "rapprochement" from the line of "contact" in the problem?!

Before all of that, are we permitted, in the framework of the international effort to solve the problem, to be satisfied with betting on an expected change in the positions of this concerned party—according to what it deems proper—without any "initiative" toward a "North African" solution in support of a necessary, responsible, international solution?

Many different questions are being posed in the North African milieu, which are pressing North African governments to adopt necessary and useful measures to help solve the Sahara problem in a way that ensures for new North African positions the formulation of a plan for the new, great, North African society!

In this sense, political circles concerned with the issue of the Western Sahara consider the latest Security Council resolution in this regard a positive step that requires a responsible North African appraisal of the effect of the twitch "observed" in the concerned party's positions on "initiatives" to solve the problem.

These circles believe that the Arab Maghreb Union [UMA] can, given its special characteristics, help considerably to guarantee the best, desired solution to the problem, and they nominate "Morocco" for an active, effective role, because it is a direct, concerned party. This is one fact.

Another fact, which is an historical fact, is that the Western Sahara, in its basic features, has known, since it formed an awareness of its association to a piece of territory, major developments that have led to the independent formulation of a Saharan society, which has waged an ongoing struggle with a harsh natural environment and the greed of "strangers" for resources above and below the ground.

The Saharans remember the harshness of their war with "Spain." They also remember that their defense of the "land" has not ceased. They question whether the "North African conscience" has the right to ignore the reality of this simple, defenseless people's historical existence.

Another fact is that the "claim" that maintains Morocco's historical right to the Western Sahara is a false claim.

Morocco has no legal "grounds" for this claim.

The Western Sahara has been an independent entity in the "region" for centuries, because the Saharan people has distinctive, bedouin characteristics in terms of its society's lifestyle, grouping, and political organization.

In postponing an examination of the political background to Morocco's alleged historical right to the Western Sahara and other areas, the North African "system" must review the "international agreement" that obliges the world to respect the borders bequeathed by traditional colonialism, with a view toward preventing interference in the affairs of small and large countries.

Morocco must ponder the results of this agreement and study the geopolitical map of the world following the European war in order to derive the conclusion that the annexation of Texas and California to the United States, for example, which are two areas that had been subordinate to Mexico, did not weaken Mexico.

In this context, the Sahara, which adheres to its right to independence, appreciates the importance of the international agreement, and it calls for compliance with the contents of this agreement.

Of course, Morocco, which is acquainted with historical right, knows well that the "Tarfaya" region, which is currently subordinate to it, is a Saharan region that was annexed to Morocco based on the strategic outlook of traditional French and Spanish colonialism, before the international decision.

Morocco, which is called upon to provide the necessary conditions for a free referendum on the Western Sahara is obliged, with the Polisario, to respect the decision made by the Saharan people regarding self-determination.

I do not believe that the "Saharan people" is abandoning the "special" historical "formula" for the form of its entity, nor has it overstepped the boundaries of the outlines of the Saharan state, which have been outlined for years.

It remains the UMA's duty to participate in a responsible solution to the problem, lest UN efforts meet with difficulties, or the Security Council resolution loses its meaning.

Unconditionally, the Saharan people knows best its near- and long-term future!

EGYPT

MB Linked to Al-Rayyan Investment, Takeover Deal

91AA0427A Cairo AL-MUSAWWAR in Arabic

31 May 91 pp 20-21

[Article by 'Izzat Badawi: "Muslim Brotherhood [MB] Behind al-Rayyan Deal. Money on the Way. Truth About Brotherhood Wealth Abroad"]

[Excerpts] [passages omitted] It all began with a critical report I obtained this week from one of my important sources. The report stated that the International Money Transfers Oversight Committee [IMTOC] had noticed that quick money transfers in French and Swiss francs, German marks, and British pounds had been made recently from France, Switzerland, Germany, and England to a foreign bank in the State of New York in the United States and that all these transfers had been tied up as deposits in the name of Muhammad Rashad Nabiyah, the agent who brokered the al-Rayyan deal!

The report disclosed that the agent for the al-Rayyan buyers succeeded last week in "breaking" these various currency deposits, which account for 80 percent of the value of the deal, to convert them to U.S. dollars. Meanwhile, the dollar account at the bank is still tied up until the end of June despite the buyers' attempts to "break" it and transfer the total value of the deal to the National Development Bank in Egypt.

Though the report put out by the IMTOC did not identify by name the accounts in the four European countries from which transfers were made to America, another report in my possession, prepared by a security agency, pointed out that these transfers were most likely made from the accounts of expatriate Egyptian businessmen who are members of the Muslim Brotherhood (MB) in Egypt.

The report revealed that all speculation so far indicates that the MB was behind the al-Rayyan buyout deal as well as al-Rayyan investments abroad.

The report also disclosed that many MB members, who emigrated from Egypt in the fifties and early sixties and settled in the Gulf countries, and from there went to Switzerland, France, and America, have made fortunes that enabled them to found the Taqwah Bank and the White Company in the Turkish section of Cyprus. These old MB members, who have become big businessmen in the West, are headed by Eng. Yusuf Nada who has made Switzerland his place of residence and base of operation and is the president of the Islamic Taqwah Bank, which was licensed in the Bahamas, with a large group of MB members headed by Dr. Zaghlul al-Najjar; Eng. Hilmi 'Abd-al-Majid, former board chairman of the Arab Contractors Company; and Shaykh Yusuf al-Qadrawi as his partners. The report also said that this bank operates worldwide and realizes huge profits from investments in the oil and petrochemical industry and speculation in

world stock markets, and it handles savings accounts for Egyptians and Arabs living in Europe at a 14-percent rate of return for dollar deposits. Some MB members also have shares in the White Company in the Turkish section of Cyprus that is headed by Egyptian consulting engineer Mahmud Ahmad Sultan who is an old MB member. The company handles Egyptian savings accounts for the benefit of the Taqwah Bank.

Go-Between

The report also disclosed that Ibrahim al-Disuqi, a MB member living in Alexandria, was the go-between for the al-Rayyan attorney, Rashad Nabiyah, and the buyers abroad.

This is the end of this critical report, which tried to decipher the confusion surrounding the identity of the al-Rayyan buyers and give hope to the depositors that their money from the buyout deal is on the way and will arrive either this week or at the end of next June.

But the question we would like answered is: Does the MB actually have the money for the al-Rayyan purchase that is valued at close to \$600 million? What is the truth about the MB holdings and investments abroad? Is the MB able to finance the al-Rayyan purchase in Egypt?

Dr. 'Abd-al-Sabur Marzuq, director general of the Islamic Research Group, said: "By virtue of my relations with the Islamic world, I know that many members of the MB emigrated from Egypt in the wake of the well-known trials in 1965 and prior to that. They settled initially in the Gulf, and from there went to certain European countries such as Switzerland and Germany where they found great sympathy for their cause and, therefore, were able to stay there for a long time and make fortunes from higher oil revenues in the seventies. They then spread throughout Europe and proceeded to establish a number of financial institutions and major consulting firms, going as far as to establish a major bank abroad under the name of Islam, namely the Islamic Taqwah Bank."

Dr. 'Abd-al-Sabur Marzuq added: "Given the massive capabilities it has amassed abroad, I do not rule out the possibility that the MB is indeed behind this buyout deal that we all encourage because this means that Egyptian expatriate money will again take its natural course in the service of the Egyptian economy."

The director general of the Islamic Research Group went on to say: "Whereas I cannot identify by name the expatriate MB members who are capable of handling the al-Rayyan buyout because of their large numbers, I know about the Bahamas-licensed Islamic Taqwah Bank that operates out of Switzerland though not all its founders are MB members who were put on trial in Egypt in the fifties and sixties. The list of founders, which has been published several times in the French media, is headed by Eng. Yusuf Nada, Dr. Zaghlul al-Najjar, Eng. Hilmi 'Abd-al-Majid, Shaykh Yusuf al-Qadrawi, and others.

Taqwah Bank, however, is not the only financial institution founded by the MB. To be sure, there are several other investments and companies owned by the MB abroad. As an Islamic intellectual and not an Islamic affairs official, I focus on the fact that, rather than allowing others to enjoy these huge fortunes that add to their power, Islamic wealth and Muslim money ought to be invested primarily in Islamic land, and should not be transferred out of Muslim countries until such time as our needs are met and the Islamic nation is out of debt.

"Perhaps the recent Gulf war revelations and news agency reports about the horrendous sums of Islamic money invested outside the land of Islam, while Islamic countries are burdened with debts and compound interest, are the best evidence of the size of Islamic investments abroad. I think that the circumstances under which the MB had to labor in the fifties and sixties are gone forever because, ever since the seventies, not a single case of sequestration or nationalization has occurred and no one has been prohibited from doing business with full freedom. This is attested to by the fact that several Islamic financial institutions have been allowed to operate in Egypt and have received full government care and consideration, something I believe is not found anywhere else in the world."

Dr. 'Abd-al-Sabur Marzuq went on to say that he hoped that the MB was behind the al-Rayyan buyout deal because, first and foremost, they are Egyptians who would be credited for their role in restoring the rights of the al-Rayyan debacle victims.

As for Dr. Ahmad al-Najjar, president of the Islamic Banks Federation, he said: "I do not preclude the possibility that the MB was behind the al-Rayyan deal, the absence of evidence notwithstanding. However, in view of the fortunes and vast riches MB members have amassed abroad, they are good contenders for such a purchase, especially since they have some investments in European countries such as Switzerland, Germany and England, and they own the Islamic Taqwah Bank that is based in Lugano, Switzerland. Although its license was issued by the Bahamas, this bank is managed in Lugano by a group of MB expatriate businessmen headed by Eng. Yusuf Nada. Since the Taqwah Bank group has many other investments in the oil and petrochemical industry and various other fields, it is capable of buying out al-Rayyan and other businesses.

Buyers' Agent

We had to meet with Rashad Nabiyah who brokered the al-Rayyan buyout deal, particularly in the wake of the general prosecutor's appeal this week to the al-Rayyan family, in its capacity as a principal party to the promissory sales contract, to put pressure on him to hasten the transfer of money to take advantage of the special legal provision of dropping the penalty fee if the depositors' claims are settled before a court judgment is handed down against them. Rashad Nabiyah said: "I am doing

everything I can to complete the transfer of the al-Rayyan buyout money to Egypt, which is not as simple or easy as some might think. The process of releasing \$600 million in one bank before the maturity date is not that simple, especially since foreign banks keep enough money on hand to cover regular withdrawals for only three days, or a week at the most, while the rest of the money is invested elsewhere. This caused the problem of 'breaking' and transferring deposits because we found that, to have the total value of the buyout deal transferred, the foreign bank had to borrow from other banks in exchange for our waiving the accrued interest on these accounts or wait for their maturity date."

Rashad Nabiyah went on to say that he was seeking to transfer the total value of the deal in one lump sum to Egypt, if the bank is able to secure the balance. He said that he could not transfer only the part that had been untied, with the balance to be transferred at a later date, because that would hurt the foreign bank when the other banks got wind of the deal!

Rashad Nabiyah denied any intention to back down on the deal, saying that there was no relationship between the deal and the dismissal motion Ahmad al-Rayyan and his attorney, Farid al-Dib, filed this week. He said that the seriousness factor is still there and represented in the heavy expenses that have been incurred so far, be they for inspections, special catalogues, or depositor certification. This is not to mention the cost of writing National Development Bank cashier's checks worth up to 8 million Egyptian pounds. Who is going to assume these expenses if there was not in fact a deal?!

Rashad Nabiyah also denied any MB involvement in the buyout deal, saying that this transaction would hurt MB interests.

But...

Will the money for the deal arrive this week, thus allowing Rashad Nabiyah to settle this case with the criminal court in the morning or will it have to wait until the end of June? Is the MB behind the deal either with al-Rayyan or for itself? And who are the buyers if the MB is not behind it?

Will the al-Rayyan family and their new lawyer, Farid al-Dib, succeed in getting Justice Muhammad Husni 'Abd-al-Latif's court to dismiss the case after officially filing a motion for dismissal last Tuesday?

Accordingly, will the trial be postponed until a new circuit court is appointed upon which it will be resumed?

And why the quarrel with the presiding judge now when the al-Rayyan family has failed to get anywhere in its quarrel with the former prosecutor and Justice Sahir Darwish?

Liberal Party Criticizes New Economic Development Plan

91AA0429A Cairo AL-AHRAR in Arabic 20 May 91
pp 1, 3

[Commentary by Mustafa Kamil Murad]

[Text] The government submitted a draft law authorizing the economic and social development plan for 1991/92. Upon examining the plan, it becomes clear that the government has not adjusted its economic course to achieve the liberalization of the Egyptian economy called for by President Mubarak. Moreover, it is still pursuing the old method of relying primarily on public investments and domestic and foreign loans to finance them. As for equity financing, i.e., the surplus in the general services budget and in the public sector, it is still meager. Thus, the government is reverting to borrowing domestically and abroad, which increases the debt volume and its burdens.

Our argument is best supported by Table No. 14, which was submitted by the government. This table elucidates public sector investments and the domestic and foreign sources for the financing of the 1991/92 plan. According to this table, public investments total 10.7 billion Egyptian pounds, of which 5.7 billion Egyptian pounds are financed by domestic loans from the National Investment Bank, which borrows its funds from the proceeds of social insurance, insurance, and pensions, which comprise allotments deducted from employees' salaries (about 14 percent of their salaries) and allotments paid by employers (about 26 percent of the salaries [of employees]). The other financing components are foreign loans, which total 2.3 billion Egyptian pounds, and foreign grants, which total about 1.1 billion Egyptian pounds. It thus becomes clear that the sum of domestic loans (5.7 billion Egyptian pounds) and foreign loans (2.3 billion Egyptian pounds) is 8 billion Egyptian pounds, whereas equity financing does not exceed 1.7 billion Egyptian pounds. The principles of sound financing require the following:

If the government's equity financing of its plan is within the framework of one, borrowing should correspondingly be one, i.e., the ratio of equity financing to borrowing should be 1:1. Thus, in this plan, if equity financing is 1.7 billion Egyptian pounds, investments must not exceed 3.4 billion Egyptian pounds. If this ratio is increased to 1.5:1, the volume of loans would be about 2.5 billion Egyptian pounds, equity financing would be 1.7 billion Egyptian pounds, and the volume of investment uses would be 4.2 billion Egyptian pounds. If the ratio is increased to the maximum limit, which is 2:1, loans would total 3.4 billion Egyptian pounds and the maximum volume of public investments would be 5.1 billion Egyptian pounds, not the 10.8 billion Egyptian pounds contained in the government's plan. In other words, the government's planned investments are almost twice as great as the maximum limit of governmental investments [according to the principles of sound

financing], which is a painful disease leading to inflation and price increases, inasmuch as the government's true reserves, which reflect equity financing, do not exceed 1.7 billion Egyptian pounds.

Thus, under the government's plan, domestic and foreign loans total 8 billion Egyptian pounds, and the ratio of equity financing to loans is 5:1, which is very high. This means that the implementation of this plan will lead to an increase in prices at a rate of 30 percent to 40 percent in 1991/92, compared to an increase in wages of only 15 percent, which means a living standard drop and increased suffering for governmental and public sector workers, who number 5.3 million, or close to 50 percent of the urban labor force!

If the government truly wishes to limit inflation, it would do better to fix public sector investments at a level that suffices for the completion of projects that have been started, and for replacement and refurbishment operations for old projects. However, that is not the case. The government's investments in 1990/91 totalled 10 billion Egyptian pounds, compared to 10.8 billion Egyptian pounds in 1991/92. In other words, they have increased by 8 percent. We could have at least expected the fixing of public sector investments at 10 billion Egyptian pounds and a reduction in the general budget deficit of 800 million Egyptian pounds! If we review investments made in the past nine years (in the previous five-year plan and the first four years of the current five-year plan) based on governmental data, we find that public sector investments during 1982/83 to 1990/91 totalled about 81 billion Egyptian pounds, which is 73 percent of the total volume of investments, whereas private sector investments in the same nine-year period did not exceed 29 billion Egyptian pounds, which is 27 percent of the total volume of investments! If, during this period, the government had listened to the opinion of the Liberal Party, which we frequently repeated in parliament and in the AL-AHRAR [Liberal Party] newspaper, and which encouraged the private sector to increase its investments to 50 percent of the total volume of investments, i.e., about 40 billion Egyptian pounds instead of 29 billion Egyptian pounds, the government's foreign and domestic debt would have dropped by about 10 billion Egyptian pounds. Because the government borrowed almost 80 percent of the volume of investments in the plan, we thus see that there is a clear error in the structure of the plan over the course of nine consecutive years. During that time, the government did not attempt to correct the financing structure of the plan by encouraging the private sector to increase its investments from only 27 percent to 50 percent of the investments provided for in the plan.

In conclusion, I feel compelled to respond to the commentary of Dr. al-Ganzuri, the deputy prime minister and planning minister, on my criticism of the plan in the Consultative Council. His excellency stated that the government is financing the plan from real reserves. However, his excellency forgot that these real reserves, which exceed 5 billion Egyptian pounds, comprise loans

from the insurance and pension funds and investment certificates of the National [al-Ahli] Bank and the Mail Savings Fund, and that, even if they were real reserves, they would enter into the scope of domestic loans that must be repaid (including 9-percent interest on them), which increases the burden of debt principal and interest. Consequently, the general budget deficit is increasing, prices are increasing, and we are now seeing the value of the Egyptian pound dropping in the currency market!

If the government had established the commercial currency market as the Liberal Party has advised since 1975, the true exchange rate of the Egyptian pound would have been set, remittances from Egyptians abroad would have increased, the foreign debt would have dropped by \$15 billion, which is 50 percent of the debts which Egypt owes, and we would not be reforming the Egyptian economy.

However, and I give up, the government stubbornly stuck to its opinion and plan, until the Egyptian pound dropped from \$2.87 to close to one third of a dollar at present! Has the government grasped the lesson? Has it learned that the opposition in Egypt was presenting sincere, national advice to reform the Egyptian economy?

I leave that to the appraisal of President Muhammad Husni Mubarak. We are perfectly prepared to appear on television to debate the government regarding its plan based on its figures to make clear to the government and all Egyptians what is wrong and what is right!

Muslim Youth Association Moving Regional Centers

Renting Out Former Centers

91P40332A Cairo AL-HAQIAH in Arabic 8 Jun 91
p 1

[Text] The Muslim Youth Association has recently ceased activities in the governorates and its administration has announced that it is renting out its centers in Cairo and the governorates. In Cairo, the halls of the Trade and Computer Studies Center have been rented and the association's headquarters in Asyut has been turned into a central [telephone office]. The Dayrut headquarters has been turned into an investment school.

AL-HAQIAH has learned that association members have asked their president, Dr. Hasan 'Abbas Zaki, to form a rescue committee for the association and to restart its activity in the areas of missionary service and jihad. They also asked him to refuse the resignations of Dr. al-Ahmadi Abu-al-Nur and Shaykh Ahmad Hasan Musallim from the association.

Arranging for New Locations*91P40332B Cairo AL-NUR in Arabic 19 Jun 91 p 8*

[Text] Harun 'Atiyah, secretary general of the Muslim Youth Association, has affirmed that the association is working to set up new branches in cities in various governorates.

The secretary general denied rumors that the association is selling its land in some governorates. He said that this talk has no basis in truth.

Officials in the association have contacted Qina governor 'Abd-al-Rahim Nafi' to see about his providing a plot of land to build an association branch in Markaz Dashna.

Al-Rayyan Promises To Return Money If Buyout Fails*91P40324A Cairo AL-NUR in Arabic 12 Jun 91 p 1*

[Report by Muhammad Basyuni]

[Text] Ahmad al-Rayyan has assured AL-NUR that he has an alternative for returning funds to depositors should the sales contract between him and the buyers' representative Rashad Nabiyah fail and the deal be declared invalid. He has said that he will return the depositors' funds according to a timetable, using a different method, after selling off assets.

Rashad Nabiyah affirmed that al-Rayyan does not have the right to cancel the contract.

It should be noted that Rashad Nabiyah is now trying to prove the deal's legitimacy before the court and to calm public opinion and al-Rayyan's depositors. He has said that the buyers will arrive in Cairo from overseas with the money.

IRAQ**AL-QADISIYAH Says U.S. 'Reneged' on Promises to Allies***JN0906093291 Baghdad INA in Arabic 0635 GMT 9 Jun 91*

[Text] The newspaper AL-QADISIYAH says that the pretext of "stability and security" the suspect U.S. policy sought to peddle in the region has not held out for long, because it quickly fell into the realm of double standards and lack of credibility, which mark U.S. regional policy issues.

AL-QADISIYAH, mouthpiece of the Ministry of Defense, adds in its editorial today that the double standards, lies, and hypocrisy the United States has shown in its dealing with the Arab nation are epitomized by its attempt to disarm and weaken Iraq and by its setting the condition that the Arabs give up their weapons in return for U.S. protection, leaving the Arabs at the mercy of Zionist bayonets.

The paper recalls the shining promises made by Washington to the regimes allied to it—promises it enhanced with a media campaign about implementing "international legitimacy" with regard to all regional conflicts, with the same speed and in the same manner that this false legitimacy was unfairly and unjustly used against Iraq.

The paper says that with the end of the aggression against Iraq and its people, which produced well-known results and consequences, the United States reneged on all its promises, showed its teeth, and made it clear that the prime objective of the aggression was to destroy Iraq's power in favor of Israel, and nothing more.

The paper says that the political equation the United States currently proposes is based on guaranteeing comprehensive Zionist superiority and turning the Arab states into protectorates or isolated villages.

Governor Discusses Agriculture in Diyala*91AE0429D Baghdad AL-IRAQ in Arabic 18 May 91 p 2*

[Article by Ja'far Mahmud]

[Text] Good manpower is lining up in on our good land, which extends as far as the eye can see, in a most wonderful battle to implement the greatest campaign to harvest the wheat and barley crops.

In the governorate of Diyala, all agricultural and technical agencies are continuing to make efforts to carry out this important, national campaign, after the good land has again produced its yield, which will spread throughout our Iraq, which is proud of its abundant wealth.

In order to become familiar with the preparations that have been made to carry out this campaign, AL-IRAQ interviewed Mr. Khadr 'Abd-al-'Aziz al-Dawri, the governor of Diyala, and the chairman of the harvest campaign committee. He stated:

At the beginning of this month, amid great willingness, we established the requirements for the success of the harvest campaign in the context of its priorities, which are higher than any other concern. Therefore, it is very natural for all pertinent agencies to become beehives teeming with movement and activity. At the same time, there were successive meetings, seminars, and assemblies to establish the measures needed to achieve the best results in the campaign.

The governor indicated that the area planted with wheat and barley totals 1,406,500 dunams, which are planted with 766,618 dunams of wheat and 639,882 dunams of barley.

We asked the governor about the capabilities that have been devoted to the success of the harvesting of these areas, especially combines. He responds:

Early on, we formed special work teams to directly supervise the harvest and the marketing of the yield to the designated centers, which total six centers distributed throughout the governorate in a fair manner that guarantees the easy marketing of wheat and barley to farmers.

We have provided all of the necessary combines as well as stand-by equipment and fuel and oil. They have been distributed to all administrative units, and the price per dunam of harvest has been determined.

Regarding the results of the wheat and barley harvest campaign, the governor states:

The harvest is proceeding well. We are about to end the barley harvest, and this is also the case regarding wheat. The quantities delivered to the silos are much better than last year. As of 14 May 1991, 825 dunams of wheat had been harvested manually and 7,123 dunams had been harvested mechanically.

This is also the case regarding barley. The barley yield totalled 12,351 dunams harvested manually and 27,639 dunams harvested mechanically. We should indicate here that there is a growing demand for combines, especially in the areas of Qarmatbah and Khanaqin, because of the abundance of the yield and the expansion of the areas under cultivation there. We are attempting to provide these combines to our brother farmers in cooperation with the pertinent official agencies.

We asked the governor about the governorate's preparations for the upcoming rice season. He stated:

The planned rice cultivation area in the upcoming season totals 44,000 dunams, of which 4,275 dunams have been prepared to date. In addition, all other inputs have been provided, including water allotments, seed, and abundant land. Farmers have been directed to freely plant rice without any condition for one reason or another.

The governor added that, after our great, resistant people opposed the forces of the American and Atlantic [NATO] outrage and aggression, which wanted to damage Iraq's unity, our people has affirmed its might by thwarting the aggressors' plans to conquer it and destroy its economy, inasmuch as the will of our leadership and our people was stronger, more powerful, and more resolute in confronting and heroically resisting, under the leadership of the knight of victory, president, commander Saddam Husayn, may God protect him. With the same zeal, all of our party and mass organizations throughout the governorate are standing resolutely to make the blessed campaign succeed and to give concrete form to the directives of President Commander Saddam Husayn, may God protect him, to provide food to all of the noble Iraqis, who suffer from the oppression of the wicked and the enemies, which is represented in their imposition of an economic blockade, including even food and medicine, on our combatant country.

AL-'IRAQ wandered among the ranks of some farmers and interviewed some of them:

The first interviewee was Ghazzal 'Ali Husayn, who states:

We have done everything in our power to thwart the economic blockade myth that has been imposed on our people to humble them and deprive them of their honor. Here, today, our good land is providing its fruits and abundant yield. May all the malicious enemies be driven away.

Farmer Falih Hasan adds:

Our love for the land is planted in us. This land will continue to be an inexhaustible spring that provides us with vitality and continuous, tireless work. My joy goes out to the great commander, Saddam Husayn, may God protect him in this season, the season of the harvest, and my joy goes out to the honorable people. I extend my best wishes for an Iraq that struts with power and constant bounty.

Farmers Hamid Karim and 'Abbas Hadi Laylu state that our land is an indication of our reward and our victory. It is the land of the dear homeland, which God has fortified and promoted with good, prosperity, blessing, and with the merit of the commander of victory, the combative president, Saddam Husayn, may God protect him.

They also declare, in the name of farmers and peasants in the governorate of Diyala, an oath of loyalty to the commander, the symbol, and survival, and being on call so that our good land continues to overflow with constant bounty and abundant good.

ISRAEL

Communications Minister, Staff Profiled

91AE0423C Tel Aviv HA'ARETZ in Hebrew 9 May 91
p 3B

[Article by Tzvi Zerahaya]

[Text] For the time being, the ministers of finance and communications are withholding their signatures on the appointment of Aqiba Aton as chairman of the board of directors of Bezeq [national telephone company]. The minister for communications, Rafa'el Pinhasi, has announced that he will accede to the request of the government's legal adviser, Yosef Harish, for the establishment of a committee to examine Aton's qualifications for the position. The committee, composed of a representative of the government's corporations authority, another from the legal adviser's office and an independent expert in communications, will look into Aton's qualifications. It will present its recommendations to the government's corporations authority and to the finance and communications ministers.

Pinhasi has declared that he will abide whatever recommendations the committee makes; if the committee comes to the conclusion that Aton is unfit to serve as Bezeq's chairman, he will withdraw the appointment. The minister of communications knows that it is better not to work against the opinion of the government's legal adviser, who also has expressed reservations concerning the relation between Pinhasi and Aton. Aton is the son of a member of SHAS [Sephardi Torah Guardians] Council of Torah Sages, which appointed Pinhasi as minister of communications.

Nonetheless, people at the Communications Ministry are mystified why any of this has led to a call for examination of Aton's qualifications. Officials at the Ministry point out that when Aton was nominated six months ago to the directorship of Bezeq, the government corporations authority investigated his qualifications and found no basis for ruling him out. By law, the chairman of the board of directors of Bezeq is chosen by the directorate. Given that, those at the Ministry are asking why critics are looking into Aton's credentials only now. Pinhasi himself asserts that he does not make unprofessional appointments and that Aton is fit for the job. "In all my time at the Ministry, I have appointed suitable, qualified personnel. If the candidate is both qualified and religious, I do not find that a deficiency or an obstacle. Since assuming my position, I have not dismissed a single employee but placed appropriate candidates in those positions that became vacant."

Is that so? A number of senior officials were replaced last year at the Communications Ministry and in government agencies under its authority. The Ministry's former director, Yitzhaq Ish Hurvitz, who was appointed by the former minister, Gad Ya'aqobi, resigned some months before Pinhasi took office. Hurvitz now works as an outside consultant to the minister of communications at a salary exceeding that of the director. In his place was appointed Avi Doron, formerly a senior staffer at the Voice of Israel. When Pinhasi became minister of communications, he brought with him three advisers: Shmuel Ami'el, a SHAS member, Ya'aqov Mizrahi and Yishai Yehusha. Pinhasi brought in Yosi Seh-Nes, from the Ministry of Labor and Welfare, to replace Deputy Communications Minister Beni Raykh. Even the Ministry's scientist, Dan Shaqlarski, was replaced by Professor Mordekhay Basari, who ran on a local independent list against SHAS in the last elections in Rehovot. Six months ago, after the resignation of Tzvi Amid, Bezeq's chairman, Pinhasi told Finance Minister Yitzhaq Moda'i that he wanted to fill the post with a professional. A committee was established to review the leading candidates and Pinhasi eventually decided to appoint Yitzhaq Ka'ol, then the postmaster general. Moda'i, who was expected to confirm the appointment, opposed it. In a vote held by the Bezeq directors, however, Ka'ol won a majority. Ka'ol's vacant spot at the post office was given to 'Amos Brakha, one of Pinhasi's close associates.

Pinhasi met Brakha some years ago while working as deputy minister for labor and welfare. When Pinhasi

moved on to his current position, rumors spread through the Communications Ministry that he was seeking to make Brakha the office director. After Doron received that position, officials at the Ministry say that Pinhasi declared that he would find Brakha another position of equal status. Brakha's appointment to the post office ran into opposition from representatives of the office's employees. The chief representative, Yosef Dera'i—the uncle of Aryeh Dera'i, the minister of the interior and one of Pinhasi's allies—warned that the employees would strike if Brakha were confirmed. In the end, however, the workers' protest faded away. A sidelight to this affair is that the board of directors of the post office sought by a telephone vote some months ago to award Dera'i, who had worked for years at the post office, a special manager's level contract. The post office's spokeswoman then reported that the terms of the agreement were identical to those signed with comparable officials who work there.

After filling senior positions open in the Ministry's subordinate agencies, the Ministry appointed new members to the agencies' boards of directors in place of the directors who had left. At the minister's recommendation, Shmuel Ami'el was named six months ago to Bezeq's board of directors. Also appointed were his assistant and Aqiba Aton. 'Amos Brakha, who had served until then on the corporation's board of directors, resigned following his selection as postmaster general. In his capacity as the director of the Communications Ministry, Avi Doron began to take part in meetings of the Bezeq board of directors as had his predecessor, Ish Hurvitz.

Now the Communications Ministry is awaiting a decision on Aton's appointment as chairman of Bezeq's board of directors. The Ministry suspects that representatives of the minister of finance are behind the opposition from the government's legal adviser to Aton's appointment. A dispute arose some weeks ago between Pinhasi and Moda'i concerning the appointment to the board of directors. Moda'i pushed hard to name one of his associates, Yehezkiel Harmelekh, the director of the Ministry of Economy and Planning, or Ze'ev Rafu'ah, who formerly headed the government's corporations authority. Now the Ministry of Communications believes that Moda'i eventually agreed to support Aton's nomination in exchange for the appointment of Rafu'ah and Yosef Vardi to the corporation's board of directors—but only after he realized that Aton's nomination was so problematic that the candidate might fail in his bid for the coveted Bezeq position.

At the moment, SHAS refuses to provide the names of additional candidates who, in Aton's stead, might obtain broad support for the post within the party's Council of Torah Sages. Sources in SHAS point out that the party must give its attention to the board chairmanships not only of Bezeq but of the post office, where Yitzhaq Elishav now serves, and of the cable television commission, currently held by a figure in the Labor Party center, Dedi Hernik. Elishav and Hernik were appointed by

Gad Ya'aqobi when he was minister of communications, and both are scheduled to complete their terms in another six months. Will they last to the end, or leave sooner perhaps?

KUWAIT

Minister Interviewed on Domestic, Foreign Policy

91AE0428A London SAWT AL-KUWAIT AL-DUWALI
in Arabic 3 Jun 91 p 4

[Interview with Minister of State for Cabinet Affairs Dari 'Abdallah al-'Uthman by Mahmud 'Abd-al-Qadir in Cairo; date not given: "All Attempts To Create Discord Between Kuwait and Some of the Arabs Will Fail"—first five paragraphs are SAWT AL-KUWAIT AL-DUWALI introduction]

[Text] Kuwait's minister of state for cabinet affairs, Dari 'Abdallah al-'Uthman, announced that severance pay is to be paid within the next few weeks to non-Kuwaiti government employees whose contracts were not renewed after liberation.

Minister al-'Uthman, who is heading Kuwait's delegation to the conference of Arab ministers of culture now being held in Cairo, stated: "There is no truth to the rumor that the apartments of Egyptians outside Kuwait are being emptied." He also said, "To date, there are no official directives on the subject."

In a special interview with SAWT AL-KUWAIT, he indicated: "The Egyptian work force has priority for returning to Kuwait to participate in rebuilding in accordance with a schedule under the plans that have been made."

He explained: "The Kuwaiti Justice Ministry is now preparing a study of the rentals law, so that a balance can continue to be maintained in landlord-tenant relations."

On another matter, Minister al-'Uthman urged all fair-minded Arabs not to pay attention to the rumors that a number of biased parties are starting and are working to spread in order to arouse confusion and take advantage of the opportunity to try to offend the feelings of Kuwaitis and non-Kuwaitis who are suffering as a result of the brutal occupation. The following is the text of the interview.

[Abd-al-Qadir] What will be the fate of the Egyptian employees with whom Kuwait has not contracted to return to their old jobs after the liberation? When and how will severance pay be paid to them, particularly since the Bureau of Employees announcement fixing the method for contract renewal said nothing about the group with whom contracts have not been signed?

[al-'Uthman] Severance pay will be paid within a few weeks to each non-Kuwaiti government employee entitled to it under the terms of the contract concluded

between him and the employing agency and whose contract was not renewed for him to return to his old job.

The matter now is merely a procedural issue. The Bureau of Employees, as the agency in charge of disbursing pay to non-Kuwaitis, is waiting for termination-of-service forms to arrive from government agencies. The Bureau will then act to complete the relevant transactions.

It should be pointed out here that the Bureau of Employees has instructed government agencies to supply it with the names of non-Kuwaiti employees who are entitled to money and want to be paid during their periods of residence outside Kuwait. The Bureau will work to carry out payment of remunerations owed to employees through Kuwaiti embassies overseas. This procedure is contingent upon the wish of the person in question.

Return of Egyptians

[Abd-al-Qadir] Does the Kuwaiti government intend to allow these employees to return to Kuwait to collect what they are entitled to and take their possessions that are still in Kuwait?

[al-'Uthman] Yes, the Kuwaiti government will allow Egyptian employees who were working in Kuwait before Iraq's brutal invasion to return to collect what they are entitled to and take their possessions. This will be done according to a program to be drawn up for this purpose, so as not to affect current plans to operate public utilities, and so that they do not become subject to any kind of pressure.

[Abd-al-Qadir] What is new in the rentals law? Is it true that landlords are going to empty the apartments of non-Kuwaitis who are outside of Kuwait?

[al-'Uthman] There has been no change in the rental law to date. Everything that concerns the landlord-tenant relationship remains according to the law that has been in force until now. However, there is a study of the rental law in the Kuwaiti Justice Ministry. The study aims at maintaining a balance in the relationship between the two parties—landlord and tenant.

I would like to say in this regard that there are no official directives on this subject to date and that all measures are taking place within the scope of the rental law.

Economic Structure

[Abd-al-Qadir] Ordinary Egyptians feel quite frustrated because not all Egyptians have returned to their previous jobs. Egyptians did not expect that some, if not most of them, would be deprived of renewed contracts. What is your comment?

[al-'Uthman] Kuwait used guest labor before the brutal Iraqi invasion, but the methodical acts of destruction and sabotage carried out in Kuwait by the brutal occupier led in effect to the wrecking of Kuwait's economic structure. In its effort to rebuild, Kuwait will naturally

program its new need for workers according to the requirements of reconstruction plans, so as to guarantee that excess workers are not brought in at this time.

Nevertheless, Kuwait is placing Egyptian workers at the top of the lists that have been drawn up for this purpose. Observers may notice the large number of Egyptian workers returning daily to Kuwait in accordance with requirements of the reconstruction plans. Observers may even note that in some government departments and public utilities fraternal Egyptian workers have come to form a very high proportion.

What I want to say in this regard is that in the area of implementing reconstruction plans, Kuwait is trying to use Egyptian workers as was the case in the past. However, because of Kuwait's current conditions, this must take place according to set plans and established programs that, as I said before, guarantee that each group of necessary workers is used at the stage when it is required.

Biased Rumors

[ʿAbd-al-Qadir] How can we eliminate the rumors that aim to create discord between Kuwait and the countries that stood with her against the brutal Iraqi aggression?

[al-ʿUthman] The brutal aggression produced many cumulative effects that caused suffering for Kuwaitis and non-Kuwaitis. Naturally, the containment of such cumulative effects requires concentrated effort and also resources. Until this goal is accomplished and the destructive effects of the occupation are contained and absorbed, one can expect that a number of biased parties will work to arouse confusion and take advantage of the opportunity to try to offend the feelings of Kuwaitis and non-Kuwaitis who are suffering as a result of the occupation.

The situation really requires some patience and also alertness, so that we do not enable those who want to fish in murky waters to accomplish their wicked purposes.

As an official, I can affirm that such attempts will come to naught and that no one, whoever he may be, will be able to influence in any way the depth of the relations that links Kuwait to her sister Arab countries who stood with her in her ordeal and adhered to a principled position on the side of truth against falsehood.

I hope that none of our fair-minded brothers will heed this noise or pay attention to the matter. Time will show that relations with our brothers have been and will remain firm and will not be affected by these biased attempts.

Conference of Culture Ministers

[ʿAbd-al-Qadir] Concerning the conference of ministers responsible for cultural affairs in the Arab world currently meeting at Arab League headquarters in Cairo, the minister of state, who is heading Kuwait's delegation to the conference, explained:

[al-ʿUthman] Kuwait's delegation presented the conference with a document about the destruction and sabotage that Kuwait suffered as a result of the brutal Iraqi aggression, especially the destruction of cultural institutions. The preparatory meeting of the conference approved the Kuwaiti document. In it we indicated our fear that Kuwait's contributions to supporting the cause of Arab culture in many Arab and international organizations may be suspended for many years—including Kuwait's sponsorship of many pioneering cultural projects. Furthermore, cultural publications, which were marked by seriousness and variety of subjects and quality of printing, and which provided a forum for the works of many outstanding Arab writers and thinkers, may cease.

Kuwaiti Children

[ʿAbd-al-Qadir] The minister of state for cabinet affairs and head of Kuwait's delegation to the conference of Arab ministers of culture added:

[al-ʿUthman] We urged our brothers participating in this conference to show concern for Kuwaiti children who have suffered and continue to suffer greatly from the occupation. Some are waiting for captive imprisoned fathers in Iraq to be released. We urged the conference to exert efforts to achieve the immediate release of Kuwaiti prisoners who are still suffering in Iraqi prisons. If the conference does this and realizes this just demand, it will have given Kuwaiti Arab children the most precious gift—one that will help them overcome their pain.

Minister Discusses Rebuilding Educational System

91AE0428B London SAWT AL-KUWAIT AL-DUWALI in Arabic 2 Jun 91 p 2

[Article: "Study at Kuwait University Begins in Mid-September"]

[Text] Kuwait (SAWT AL-KUWAIT)—The minister of higher education, Dr. ʿAli ʿAbdallah al-Shamlan, stated that the Higher Education Ministry's policy in the postliberation period will take the form of concentrating on technical education and opening the university in the middle of the coming September. The same holds true for the General Organization for Applied Education and Training.

In a frank exclusive interview with SAWT AL-KUWAIT, Minister al-Shamlan added: "Our experience during the savage and brutal Iraqi occupation confirmed our need for vocational and occupational education. We will therefore begin to concentrate on developing applied technical education at all stages, even introducing it into university curricula."

Technical Education

Dr. al-Shamlan elaborated: "From their locations outside Kuwait during the Iraqi occupation, either in Saudi

Arabia or in Cairo, my colleague, the education minister, and his ministry colleagues began planning to introduce vocational and occupational technical education into secondary school curricula. For example, in the first year of secondary school our students will study sanitary installations, in the second year of secondary school they will study electrical installations, in the third year of secondary school they will study refrigeration, and in the fourth year of secondary school they will study automobiles and so forth. Thus, students will not graduate without a reasonable amount of vocational and occupational skills, at least enough to help themselves and their families and to reduce dependency on foreign workers." He also said, "Introducing technical and occupational education comes within the context of programs to serve society."

Minister al-Shamlan discussed how Kuwait's young people will be encouraged to enroll in technical education as a foundation and first choice, not as a substitute for college. As he pointed out, "Our young students who have not obtained a place in university have already begun to consider the second choice, technical education, as a substitute for college." He explained that the intention was to make it "a basic priority choice." He said, "We are now considering creating a series of incentives to orient general secondary graduates toward technical education as their first choice, no matter how high their general secondary scores were."

The minister said that the incentives would be material and employment-related. "Even before the invasion, on instructions from his highness the emir and his highness the crown prince, and with the help of colleagues in the Civil Service Council, we had begun to think seriously about implementing this. The time may be more opportune now than at any time in the past to implement this policy."

Lost Months

About the situation of students studying at the university and how they had lost seven months of study and academic life because of the brutal Iraqi invasion, the minister of higher education said:

"In fact, we carefully studied many options during the crisis. The best option we are now considering is dividing the academic year into three terms instead of two as in the past. The first term would be the fall, the second would be the spring, and the third would be the summer." He added: "The summer term could also be divided into two parts for those of our students who are in need. In this way, we will make up much of what was missed, particularly since our young people who were outside Kuwait and for whom we provided opportunities to enroll in Gulf and Arab universities are only one semester ahead of those who remained at home during the brutal occupation."

Regarding how this happened al-Shamlan replied:

"Saudi universities were in session for only one term. They did not begin the second term. The same happened in the Gulf countries because of Operation Desert Storm and the liberation of Kuwait." He added: "Even our young people studying in America and Britain studied only one term. Then they volunteered to help the American army and the British forces—for example, by translating. This means that all our young people overseas studied only about one term. God willing, we will compensate our young people who remained steadfast in Kuwait for this term during the coming academic year."

Student Equality

Replying to a question about how students who stayed in the country will be treated equally with students who studied a term overseas, which put them one term ahead of their colleagues, the minister of higher education said:

"Bear in mind that students who studied abroad, especially in Saudi universities, were considered by university administrations to be students enrolled in courses, not regular students. Students received pass certificates for courses they completed successfully. They will present any course or courses studied to Kuwait University's dean of admissions and registration. If there is an equivalent course, they will be exempted from repeating it. If there is no equivalent in the student's required curriculum, he will be treated exactly like his fellow student who remained in Kuwait during the barbaric period of occupation. Thus, there is no great difference between these students. We will provide students who stayed home an opportunity to catch up."

About Kuwait University's return to being the beacon of learning and research that it once was, Dr. al-Shamlan said:

"This will take some time. As you know, the university's contents were completely, utterly, and systematically stolen. Some buildings were destroyed. I can say that 100 percent of the faculties were damaged. Those that escaped were damaged no less than 85 percent. Our first concern is to equip Kuwait University enough to enable us to open it this September. We cannot think about advanced studies or faculty research now. These things will be considered later after the university is opened."

He also said: "After study at the university settles down, we will begin planning to restore the university and its faculties to their condition before the criminal occupation, or better. Haste is not needed. Reconstruction should take place in an orderly and well thought-out manner."

Faculty

Replying to a question about whether all faculty members in the university and in the colleges of the General Organization for Applied Education and Training will return to their previous jobs and a possible reduction in their numbers, the minister of higher education, Dr. 'Ali 'Abdallah al-Shamlan, said:

"The director of the university and the deans of faculties now have full power to select the best and most qualified members of the faculty. We definitely will not need the full number of faculty members who were present before the invasion. The reason is the decrease in the number of students in certain specializations and their redistribution to other specializations. Also, there will be some change in university policy to keep pace with events and the requirements of Kuwait's present and future stages.

Henceforth, we will not allow the old luxury of choice of specialization according to students' whims and moods. The result is that we now have specializations with a very high concentration of students. In the future when these students graduate, this will lead to veiled unemployment among graduates. Such specializations include geography, history, philosophy, psychology, and political science. Enrollment in them will be very narrowly restricted, and therefore the number of faculty members must be reduced to keep step with the policy of the university and Ministry of Higher Education."

Minister al-Shamlan elaborated:

"On the other hand, we have university specializations in which there is a great shortage. These include medicine, engineering, sciences, Arabic, English, and French. There must be a new distribution that satisfies the requirements of the domestic labor market. I can say that our need for faculty members depends on this policy. There are specializations in which we shall not need all the faculty members who were previously present, and there are specializations in which we shall need additional faculty members."

University of the Gulf

Replying to a question about the University of the Arabian Gulf in Bahrain and the situation of Kuwaiti students, the minister of higher education said:

"We provided medical school students with places at the University of the Gulf starting from the first semester. The Council of Ministers approved funding a budget of 3 million Bahraini dinars for about 200 students of different classes to study. They were enrolled in the university, and all of them have been studying regularly from the first semester.

"We have given them a choice. Those who want to return and study at the University of Kuwait again are welcome. As for those who do not wish to return, but wish to complete their studies at the University of the Gulf, the Higher Education Ministry will not abandon them. Their studies will naturally be paid for by the Ministry of Higher Education in Kuwait."

He said the following about the situation of final-year students in the medical school of Kuwait University:

"They are students in the seventh and final year. Their studies are a practical course. They are now studying at

Mubarak Hospital and are expected to receive their diplomas this September or October."

Replying to a question about what the Ministry of Higher Education had done for Kuwait University students in other specializations, the minister of higher education, Dr. 'Ali al-Shamlan, said:

"As for students who were in Kuwait and did not leave during the brutal Iraqi occupation until after the month of September, when university first-term admissions procedures had already finished and first-term classes had already begun, we have prepared a program to take care of them academically. It has been presented to the Council of Ministers, has been approved, and a budget of 7 million Bahraini dinars has been earmarked for it. The money has been deposited in our account at the University of the Arabian Gulf to provide places for 1,500 students to study during the second term.

"When we announced preliminary registration, about 1,600 students applied. This took place before the period of liberation. With the dawning of liberation and the beginning of Operation Desert Storm, the number dropped to fewer than one-third, and only about 450 students applied. Half of them were students from the General Organization for Applied Education and Training. As conditions developed, about 20 percent of the university students registered withdrew. We now have about 250 students ready to study."

The minister of higher education continued:

"The minimum for beginning classes in any specialization at the University of the Gulf is supposed to be the presence of seven students. Unfortunately, the number of students in every specialization did not come up to the required minimum, so classes did not begin, particularly since most of our students preferred to return to Kuwait after the liberation."

About the budget that has been appropriated, al-Shamlan said:

"The budget is currently in our account at the University of the Arabian Gulf in Bahrain. The necessary arrangements will be made to return the entire budget (7 million dinars) to the Kuwaiti Finance Ministry.

"I want to commend the enormous efforts that were made to arrange for students to study at the University of the Gulf. These efforts included agreements from the Kuwaiti and Bahraini Councils of Ministers and the Arabic Education Bureau of the Gulf countries. The budget was approved and transferred to the University of the Gulf, so that students could begin studying in the second term." He also said: "Unfortunately, studying did not take place for the reasons we have mentioned."

About whether certain fields and specializations will be closed for a time because of the trend mentioned earlier and the new policy, Dr. al-Shamlan said:

"This is quite possible. However, let me say that the decreased number of acceptances is in certain specializations in which there is a large surplus of graduates or current students. This surplus in the number of graduates in these specializations last year caused us to begin retraining these graduates through the Employees Bureau, so that they will be able to find better jobs than their main specialization. There will definitely be many specializations in which we will decrease the people accepted to a very small number."

Future of Education

Replying to a question about the future of the General Organization for Applied Education and Training in light of current conditions, the new policy, and the guidelines of the Ministry of Higher Education, he said:

"I think the organization's future is very bright. As I mentioned earlier, on instructions from His highness the emir and his highness the crown prince, we have begun to concentrate heavily on applied and technical education. If we speak about a process of substituting native for guest workers, we must adopt a realistic policy of further developing technical education. We began this process some time ago. However, during the brutal occupation it became clear to us that we need a more rapid change than had been planned. I believe that the future of the General Organization for Applied Education and Training is now the future of Kuwait."

Minister al-Shamlan added:

"In fact, I would say that while we were in exile—if one may use the term—we began to provide the studies and services of the General Organization for Applied Education and Training to Kuwaiti citizens in exile. For example, we provided technical training in electrical, sanitary, and similar installations to citizens in Bahrain, the UAE, and Qatar, to help them become more self-reliant when they returned."

Replying to a question about voluntary, rather than regular and official work, especially during the reconstruction period, the minister of higher education said:

"Reconstructing and rebuilding Kuwait is a hard job and needs all our effort. Among the directives of His highness the emir to the current government when they took their oath, the most important thing that His highness (may God preserve him) stressed was that one should not restrict oneself to official office hours. He meant that work should not be measured by the number of daily scheduled office hours. Additional work is needed. My fellow ministers and I have been present around the clock, even on Fridays and official vacations, thus implementing his highness' directives to make the greatest possible effort in this critical period in the history of our Kuwait and its rebuilding. Destruction is easy, but rebuilding and reconstruction require great efforts and ceaseless work, with everyone, superior or subordinate, at his post in every field."

New Policy

Al-Shamlan said the following about what is new in the Higher Education Ministry:

"What is new now is that a policy has been formulated with the Planning Ministry and other government agencies to determine the state's real need for specializations and graduates. The policy concentrates on distributing general secondary graduates according to this need—the country's future need for them and their services—not according to personal whims and desires."

At the end of the conversation, we asked the minister of higher education to deliver some concluding words. He said: "All I want to add is to stress to the faculty in institutions of higher education, both the university and those of the Organization for Applied Education, and also to our students in the departments of the university and in the organization and its training centers, that postliberation Kuwait needs serious and hard work. I hope that my colleagues in the faculty and among the students will keep these ideas in mind and in the forefront of their thinking from now on and for years to come, so that they work to restore Kuwait to what it was. This will come about only by the strength of the young people of Kuwait. I pray that God will make us all successful in this."

LEBANON

Biographic Data on New Deputies

91AE0431A Beirut AL-SAFIR in Arabic 7 Jun 91 p 3

[Text] Who are the new deputies added to the Chamber of Deputies elected in 1972 and extended since then. What are their ages and what is their experience and their social and political status?

This survey tries to shed light on the deputies whom the Council of Ministers decided to appoint in a two-stage session it held yesterday: A first stage to further sift the already-sifted names and a second stage dictated by the requirements of passage of the grace period extending for five days following the end of nomination. This stage was set aside for the appointment decree which was issued after midnight.

O Lebanese, here are your new deputies with whom the number of member of the Chamber of Deputies is increased to 108. There remains one seat which is as good as vacant because it has been impossible to fill [by appointment] due to the fact that deputy Fu'ad al-Tahini died after ratification of the constitutional amendments.

'Umar 'Abd-al-Hamid Karami:

Born in Tripoli in 1935.

Married to Maryam Misbah Qubtan and has four children: Khalid, Faysal, Yaman, and Zaynah.

He has a law degree from Cairo University and has practiced law. He was the Arab Liberation Party secretary general in 1970.

Tripoli people acknowledged him as successor to his brother, the late Prime Minister Rashid Karami, in 1987. He has headed the Northern Coordination Council.

He was appointed minister of education in Prime Minister Salim al-Huss's cabinet in 1989.

He formed his first, and current, cabinet, in 1990.

Nabih Mustafa Birri

Born in Tibnin, Bint Jubayl, in 1938.

His first marriage was to Layla Birri by whom he has six children. His second marriage was to his current wife Randah 'Asi by whom he has three children.

He has a law degree from the Lebanese University and he has practiced law.

He was elected Amal chairman in 1980 and has been reelected five times since.

He led the 6 February 1984 movement against President Amin al-Jumayyil.

He took part in the Geneva and (Lausanne) dialogue conferences.

He was appointed minister of justice and resources in Rashid Karami's cabinet in 1984. He was also appointed minister of southern affairs in a cabinet portfolio called the resistance ministry.

He was appointed minister of resources in Dr. Salim al-Huss's cabinet in 1989.

He was one of the parties to the tripartite accord of 1985.

Minister of State in Prime Minister 'Umar Karami's cabinet.

Walid Kamal Junblatt

Born in al-Mukhtarrah, al-Shuf, in 1949.

He has a B.A. in political science from the American University of Beirut where he also studied history.

He assumed chairmanship of the PSP [Progressive Socialist Party] when his father was assassinated. He then became chairman of the National Movement's Political Council.

He was the subject of an attempt on his life in 1982 but escaped it.

He announced birth of the National Salvation Front, which included eight parties, in Ba'labakk in 1983.

He took part in the two dialogue conferences in Geneva and Lucerne in 1983 and 1984.

He was appointed minister of public works and tourism in Rashid Karami's "national unity cabinet" of 1984 and minister of public works in the "national concord" cabinet, headed by Salim al-Huss, in 1989.

He was one of the parties to the tripartite accord with Amal and the Lebanese Forces.

He has been appointed deputy chairman of Socialism International.

He was the subject of another attempt on his life with a booby-trapped pen in 1987.

Minister of state in Prime Minister Karami's cabinet.

Na'ilah Mu'awwad

Mrs. Na'ilah Rene Mu'awwad (maiden name Na'ilah 'Isa al-Khuri) was born in Bsharri in 1940.

Her father is attorney Najib 'Isa al-Khuri.

She had her elementary, intermediate, and secondary education at the Franciscan Sisters School, Beirut.

College studies: English language at Cambridge University and a degree in French literature from the French College of Arts, Beirut.

She started her career as a journalist in L' ORIENT where she worked from 1963 to 1965.

She was married to martyred President Rene Mu'awwad in 1965. She has two children from the marriage: Rima and Michel.

She took part in numerous scout and social activities and she was the first to establish a crafts workshop in the north to preserve the national heritage. She also founded the Social Services Association within which she was able to establish a clinic for health education and prevention and for treatment.

She contributed to creating the committee for coordination of the activities of craftsmen in Lebanon.

Her latest accomplishment is the Rene Mu'awwad Foundation which seeks to crystallize the national principles, ideas, and aspirations of the martyred president.

Michel Ilyas al-Murr

He was born in Btighrin, al-Matn, in 1932.

He has an engineering diploma from the Higher Engineering School in Beirut.

He is a businessman who owns banking and trade establishments.

He was elected deputy for al-Matn in 1968.

Appointed minister of post, telephone, and telegraph in the cabinet the late Prime Minister Rashid Karami formed in 1969.

Appointed minister of post and public housing in the cabinet Prime Minister Dr. Salim al-Huss formed in 1977.

Appointed minister of post in the cabinet Prime Minister Shafiq al-Wazzan formed in 1980.

He has played political roles at numerous stages, especially in the 1985 tripartite accord.

Appointed deputy prime minister and minister of defense in Prime Minister 'Umar Karami's cabinet in 1990.

Muhammad 'Abd-al-Qadir Jarudi

Born in Beirut in 1918.

A bachelor.

He has a law degree from the Jesuit University.

Chairman of the board of trustees of the Hospital for the Disabled.

He worked with ex-Prime Minister Sa'ib Salam in the Islamic Grouping.

Member of the Islamic Orphanage Institutes.

Minister of economy in Prime Minister 'Umar Karami's cabinet.

Jean Badawi 'Ubayd

Born in 'Alma, Zgharta District, in 1939.

Married to Lubna al-Bustani. They have five children: Sulayman, Hilal, Amal, Jana, and Badawi.

He started his work in journalism in 1959 and worked in the MAGAZINE, AL-USBU' AL-'ARABI, LISAN AL-HAL, and AL-AHRAR. He also became chief editor of AL-SAYYAD.

He has had a permanent presence in the political life since the mid-1970s and he has been a man of roles and of missions between the Lebanese Government and the Syrian leadership, especially during the administration of ex-President Amin al-Jumayyil.

Muhsin 'Ali Dallul

Born in 'Ali al-Nahri, Zahlah District, in 1932.

His mother is Fatimah Salman.

He is married to Siham Kan'an and they have four children: Nizar, 'Ali, Ziyad, and Rula.

He has a degree in psychology from the Oriental Literature Institute, Beirut.

He has worked in the field of education and in journalism.

He was deputy chairman of the PSP until 1988.

Appointed minister of agriculture in the national concord cabinet formed by ex-Prime Minister Salim al-Huss in 1989.

Appointed minister of agriculture in Prime Minister 'Umar Karami's cabinet in 1990.

Marwan Muhammad 'Ali Hamadah

Born in B'aqlin in 1939.

He has a degree in law and one in economics from the Jesuit University. He trained for a period as a lawyer but has not practiced the profession. He has worked as an economic researcher.

He started his work in journalist in 1965 and he held the position of chairman of the Executive Board of the Cooperative Press Corporation and of the Press Corporation.

As representative of the Lebanese National Movement, he was appointed minister of tourism in the cabinet ex-Prime Minister Shafiq al-Wazzan formed in 1980.

He was appointed minister of economy and commerce in Prime Minister 'Umar Karami's cabinet in 1990.

'Abdallah al-Amin

Born in al-Sawwanah, Marj'uyun, in 1946.

Married to Subhiyah 'Atallah Dakrub and they have three children: Ziyad, Muhammad, and Mayy.

He has a degree in Arabic from the Arab University of Beirut.

He has worked in the fields of education and journalism.

He was selected regional secretary of the Arab Socialist Ba'th Party in Lebanon.

Minister of state in Prime Minister 'Umar Karami's cabinet.

Sulayman Tony Franjiyah

Born in Zgharta in 1946.

He did not continue his studies after completing secondary school.

He is married to Marianne Riyad Sarkis and they have one son, Tony.

He held the position of commander of al-Maradah Forces until they were dissolved this year.

Minister of state in Prime Minister Karami's cabinet.

Muhammad 'Abd-al-Hamid Baydun

Born in Beirut in 1952.

Married to Nisrin Baydun and they have one child, Jihad.

He got a degree in mathematics from the Lebanese University and a Ph.D. from Claude Bernard University. He has worked as professor at the Lebanese University.

He joined Amal in 1980.

Appointed chairman of the Council for the South in 1985.

He is the minister of housing and cooperatives in Prime Minister 'Umar Karami's cabinet.

Ilyas Shukri Saba

Born in Kfar Hata, al-Kurah, in 1932.

Married to Hind Shurbaji and they have five daughters: Rula, Randah, Hana', Amal, and Samar.

He got his degree in economic sciences from the American University and his Ph.D. in economics from Oxford University.

He worked as an economic adviser to the Kuwaiti Ministry of Finance from 1961 to 1967.

Appointed dean of the School of Economics of the American University of Beirut.

Appointed minister of finance and defense in the 1970 youth cabinet headed by Sa'ib Salam. He is the originator of Decree No. 1943 which prominent businessmen fought and for which Saba was toppled.

He has held top positions in a number of companies.

He is deputy chairman of the National Action Symposium which is headed by ex-Prime Minister Salim al-Huss.

'Abd-al-Rahim Yusuf Murad

Born in Ghazzah, Western al-Biqā', in 1942.

Married to Munirah Murad and they have four children: Husayn, Hasan, Zaynab, and 'Umar.

He has business administration and law degrees from the Arab University of Beirut.

He took part in the founding of the Nasirite Vanguard Organization, Lebanon Branch, in 1963 and founding the League of Unionist Nasirite Arabs in 1971.

He founded the al-Biqā' Nasirite Youth Organization in 1974 and took part in forming the Arab Socialist Union in 1979. He is the union chairman currently.

One of the founders of the al-Biqā' National Action Council. He is the general supervisor of the 'Umar al-Mukhtar Educational Institutes.

Talal Majid Arslan

Born in 1963.

Has a degree in political and economic sciences from George Washington University.

A bachelor.

A founder of the Bayt-al-Din Conference.

He is the minister of tourism in 'Umar Karami's cabinet.

Faris Nuhad Buwayz

Born in Zuq Mkayil, Kasrawan, in 1955.

Married to Zulfa Ilyas al-Harawi and they have three children: Rayya, Nuhad, and Tariq.

He has a law degree from France and another from the Jesuit University.

He is the son of ex-deputy Nuhad Buwayz, a prominent member of the National Bloc Party.

Appointed adviser to President Ilyas al-Harawi.

He is the foreign minister in Prime Minister 'Umar Karami's cabinet.

Ilyas [Elie] Joseph Hubayqah

Born in al-Qulay'at in 1956.

Married to Jina Nashati and they have one son, Joseph. They lost a daughter named Sabine.

He has studied commerce and banking sciences.

Joined the Phalangist Party in 1977 and took charge of the Lebanese Forces' training, organization, operation, and intelligence. He then became the Forces commander in 1985.

He gave up his duties in the Forces in wake of the bloody coup which Samir Ja'ja' staged against him in 1986.

He founded the al-Wa'd [Promise] Party in 1989.

He is a minister of state in Prime Minister 'Umar Karami's cabinet.

Munir Fayiz al-Hajj

Born in Biskinta, northern al-Matn, in 1934.

He has a law degree from the French Law Institute.

He has been practicing law since 1960.

Joined the Lebanese Phalangist Party in 1957.

Held the post of chairman of the Northern al-Matn Phalangist Region from 1963 to 1973.

He was a member of the Phalangist Political Bureau from 1972 to 1986, without interruption.

Appointed party secretary general in 1986.

Elected party deputy chairman in 1989, a post which he still holds.

He is married to Elaine 'Amaturi and they have four children: Rula (18), Maya (16), Ziyad (13), and Rayya (seven years old).

Akram Husayn Shuhayyib

Born in 'Alayh in 1947.

Married to Salma al-Jardi and they have four children: Mazin, Wa'il, Hibah, and Lama.

He has a degree in history from the Lebanese University and an M.A. from Cairo University.

He has worked as teacher and principal of the 'Alayh National College.

He is a member of the PSP Political Bureau and director of the office of Walid Junblatt, the party chairman.

Ayman Shawkat Shuqayr

Born in Arsun in 1950.

He has a B.A. in economics and an M.A. in business administration from the European Business Administration Institute.

Married to (Laurence) Shuqayr and they have three children: Lamyah, Sarah, and Karim.

He worked for the "IN" Life Insurance Company and held the post of assistant regional manager.

He engaged in banking work in Lebanese banks in Beirut and in foreign French and U.S. banks in the late 1970s.

He is a businessman and the general manager of an electric equipment company.

Anwar Muhammad al-Khalil

Born in Lagos, Nigeria, in 1938.

Married to Layla Zayd al-Atrash and they have four children.

He has a B.A. degree in law from London University. He also has an M.A. in law.

He chaired the International Lebanese Cultural University for two successive sessions from 1972 to 1974.

He is representative of the Lebanese banks at the Executive Council of the Federation of Arab Banks.

He headed the Federation of Arab Banks for two successive sessions (1983-89).

He has been awarded the National Order of the Cedars with the rank of commander.

Antoine Joseph Shadir

Born in Beirut in 1945. He is the son of the late Joseph Shadir who was a deputy, minister, and Phalangist Party deputy chairman.

He acquired his law degree from Saint Joseph's University in 1967.

He has been a member of the Phalangist Political Bureau since 1982. He held the post of chairman of the Phalangist Students Department and then became chairman of the al-Rumayl Phalangist Zone.

He held the post of chairman of the Lebanese Banks Association from 1983 to 1985.

He is chairman of the Executive Board of Unibank.

Married to Claudette Khayyat and they have one son, named Joseph, after his paternal grandfather, as a good omen.

Georges 'Aziz Kassab

Born in al-Qulay'at, Kasrawan-al-Futuh District, in 1952.

He has a law degree from Saint Joseph's University.

He joined the Phalangist Party in the early 1970's.

Elected member of the Phalangist Political Bureau in 1986 and reelected in 1989.

He has been chairman of the Kasrawan-al-Futuh Phalangist Region since 1986.

He has been a member of the Lebanese Forces Command Council since 1986.

Married to Jumana Ghushn and they have two children: Tanya and Ralph.

'Adil 'Id Saqr

Born in al-Luwayzah, B'abda District, in 1947.

He got his law degree in 1972.

He has been al-Hazimiyah court clerk since 1973.

Joined the Phalangist Party in 1977.

He is chairman of the B'abda Phalangist Region at present.

He is the owner and board chairman of several tourist establishments.

Married to Salwa Abu-Tanyus and they have four children: Maya, Sharbil, Liya, and Michel.

Shahi [Vahram] Barsumian

Born in Beirut in 1952.

Married to Aribi Mitilyan and they have three children: Patrick (10 years), Cedric (eight), and Sibuh (four).

Nasib Salim Lahhud

Born in B'abdat, al-Matn, in 1944.

Married to 'Abla' Fustuq and they have two children: Salim and Jumana.

He has a degree in electrical engineering from Britain.

In 1972, he founded the Lahhud Engineering Company which has become one of the Middle East's biggest companies.

He was appointed Lebanon's ambassador in Washington in 1990.

'Umar Mustafa Musaykah

Born in Tripoli in 1939.

Married to Fadiyah Wafiq al-Nasuli and they have three children.

He has a Ph.D. in Lebanese common law from Saint Joseph's University.

He has worked as a professor at the Lebanese University and the Jesuit University and as board chairman of several financial and banking establishments in Lebanon and abroad.

He held the post of cabinet secretary general from 1983 to 1987.

He has played a fundamental role in creating the National Archives and he has been appointed its executive board chairman.

He was appointed adviser to the late President Rene Mu'awwad and retained his advisory position when President Ilyas al-Harawi was elected.

'Ali Hamad Ja'far

Born in al-Hirmil in 1924.

Married and has five children.

Educated.

He has engaged in social and political action since his youth and he has broad relations with Lebanon's prominent politicians.

Faysal Salim al-Dawud

Born in the town of Hulwah, Rashayya al-Wadi District, in 1949.

His father is the late deputy Salim Nasib al-Dawud and his grandfather is the late deputy Nasib al-Dawud.

He has a degree in Arabic literature from the Lebanese University.

He has engaged in political action since his early youth and he assumed the political leadership of his supporters upon the death of his father in 1985. He has founded the Arab Lebanese Struggle Movement.

Hamad al-Samad

Born in Bakh'un, al-Daniyah District, in 1937.

He is married to Firyal 'Ali al-Samad and they have six children.

He has a law degree from the Lebanese University and he has been practicing law.

He joined the Arab Socialist Ba'th Party and left it in 1960. He founded the Tripoli District Youth League.

He is one of the founding members of the Northern Coordination Council.

He returned to the Ba'th Party in 1975 and became a member of the Regional Command.

'Ali Yusuf 'Id

The Arab Democratic Party has provided this information on 'Id:

Born in Tripoli in 1940.

Married to Fatat Salih Mar'ush and they have eight children.

He got a degree in chemistry from San Jose University in the United States and a degree in political and economic sciences and public administration from the American University.

He headed the Arab Students Federation in California and the Student Union at the American University.

He confronted a Saudi prince who was slandering Lebanon and the latter stabbed him with a knife in the back, thus paralyzing his left leg.

He founded the 'Alawite Youth Movement in 1972. He then joined the National Confrontation Front which was headed by deputy Talal al-Mar'ibi. The front then turned into the Arab Democratic Party and 'Id became the party secretary general in 1985.

'Abd-al-Rahman 'Abd-al-Rahman

Born in 1947 in al-Tabbanah Quarter, Tripoli.

Married to Da'd Sha'ban and they have three daughters: Nuha, Susan, and Zaynah.

He received his education all the way through high school at the American School in Tripoli and enrolled in the Political Science College of Cairo in 1969. He then continued his studies at the Arab University of Beirut where he got a degree in political science in 1973.

He joined the Arab Socialist Ba'th Party in 1969 and was a member of the party's Regional Command from 1973 to 1977. He then became the northern branch secretary in 1977.

Salim 'Abdallah Sa'adah

Born in Amyun in 1945.

He married Norma Diyab in 1982. He got a B.A. in economics and an M.A. in economic sciences from Washington University, Saint Louis, in the United States in 1977. He completed preparing the materials for a doctorate in economics but did not submit his thesis (1979).

He held the post of director of the economic and planning department of the Trans-Mediterranean Airlines from 1974 to 1975.

He is a university professor of economics.

He has a contract with the Midmac International Companies Group as an economic adviser and he has held positions in the group's branches in the United States, London, and the Gulf. The latest was the position of general director.

He began his political and social activity in al-Kurah District and in the north upon the death of his father, Dr. 'Abdallah Sa'adah who was chairman of the Syrian Social Nationalist Party, in July 1987.

Elie Furzuli

Born in 1949 in Zahlah. He is the son of Najib al-Furzuli, doyen of the Bar Association in al-Biqā'. Elie is married to Olgina Shafiq Skaf.

Received his elementary and intermediate education at the Evangelical Secondary School in Zahlah. Completed his secondary education at Brummana High School and then enrolled at the American University where he completed two preparatory years in medicine. He then shifted to law at the Lebanese University from which he graduated in 1972. He has practiced law since then.

He belongs to a family that has been engaged in politics. His grandfather is Dr. Mulhim al-Furzuli and his uncle is ex-deputy Adib al-Furzuli.

In 1986, he founded the Zahlah-al-Biqā' Front. He is a member of the Zahlah-al-Biqā' Committee, the National and Developmental Action Council of al-Biqā', Board of Directors of the Tall Shiha Hospital, and the Board of Directors of the Agricultural Mechanization Cooperative. He is also the foreign relations secretary of the Greek Orthodox Community Council of Zahlah and al-Biqā'.

Dr. Muhammad 'Ali al-Mays

Born in Barr Ilyas in 1942. Married to Munifah 'Araji and they have three children: Jamil (20 years), Dina (16), and Ahmad (12).

He received his elementary education at the National Brotherhood School of Barr Ilyas and his intermediate and secondary education at the al-Maqasid Islamic School in Sidon. He then studied medicine at 'Ayn

Shams University in Cairo and graduated in 1971. He specialized there in gynecology and obstetrics in 1975. He owns and manages al-Mays Hospital in Shtura.

He chairs the Health Bureau of the National and Developmental Action Council of al-Biqā'.

Mahmud Faris Abu-Hamdan

Born in Ta'labaya, Zahlah District, in 1957. Married and has two children: Malik (five years) and Jad (five months).

Completed his elementary and intermediate education at al-Thaqafah School in Ta'labaya and continued his secondary education in Qabb Ilyas government school and then in al-Sabah government school in al-Nabatiyah. He got a degree in political and administrative sciences from the Lebanese University.

He joined Amal Movement upon its inception and assumed the movement's educational, cultural, and political duties in al-Biqā' Province. He has also held other leadership responsibilities, the latest of which is his membership in the Political Bureau and his responsibility for the movement's branch in al-Biqā'.

Roy Ilyas al-Harawi

Born in Hawsh al-Umara', Zahlah.

His father is President Ilyas al-Harawi.

His mother is Evelyn Shidyaq.

A bachelor.

He has a degree in business management from the American University.

Founder and chairman of the Social Action Council of Zahlah and al-Biqā'.

He is engaged in general commerce.

Fu'ad Raji al-Sa'd

Born in 'Ayn Traz, 'Alayh District, on 3 April 1943.

Completed his secondary education at al-Sayyidah School in al-Jumhur and his college education at Saint Joseph's University. He acquired a B.A. in law and a diploma in higher studies in general law.

He has a degree in political sciences from the Jesuit University and a degree in history and geography from the French College of Arts.

He has practiced law since June 1964.

In 1968, he ran as an independent for election to the post of deputy and received 11,574 votes. He ran again in the 1972 election and got 14,869 votes. He was separated from the winner by a small margin (350 votes).

He married Jacqueline Jean Baz in October 1977 and they have one daughter, Lamyā.

Istifan Butrus al-Duwayhi

Born in Zgharta in 1953. Married to Mary 'Abd and they have two children: Antoine and Stephanie.

He received his elementary education at the Freres School and then at the Lebanese Monastic Order School in 'Ashshash.

He enrolled in the Lebanese University's school of science in the north.

After college, he worked within the jurisdiction of Zgharta-al-Zawiyah and took positions through the family and a youth group in the area.

Wajih Muhammad al-Ba'rini

Born in Funaydiq, 'Akkar, in 1945.

Married and has seven children.

Chairman of the 'Akkar Popular Grouping.

He has worked as a government official.

He is currently engaged in free enterprise.

Represent Second Generation of National Industries Based on SABIC Products"]

[Text] The Saudi Arabian Basic Industries Company (SABIC) has concluded a number of preliminary economic studies of a number of investment opportunities for some manufacturing industries as part of SABIC's plan to inform the private sector of available opportunities. It urged businessmen and industrialists to take advantage of these studies and convert them into industrial projects to meet local market needs and, perhaps, export the surplus.

SABIC explained that its products represent the basis for countless industries, particularly in view of the growing use of plastic products in almost all aspects of modern life. In its serious efforts to encourage the industrial sector to take advantage of available opportunities to develop national industry, the company called upon interested businessmen to contact the SABIC public relations department to obtain a copy of these studies. Moreover, chambers of commerce throughout the kingdom have copies of these studies.

SAUDI ARABIA**Business Opportunities for Private Sector**

91AE0416B Riyadh AL-RIYAD in Arabic 17 May 91
p 3

[Article by Sa'd al-Huwaymil: "Thirty Sure Investment Opportunities Before Private Sector. New Industries

It is noteworthy that SABIC views the manufacturing sector's role as part and parcel of an integrated and interrelated production chain aimed at the gradual replacement of imported goods with local production. In this regard, SABIC's role is not limited to supplying this sector with products. It also offers advanced associated technical services and helps industrial consumers solve problems they might encounter in using its products. The following is a list of these opportunities:

Product	Annual Capacity	Total Investment (Riyals)
Plastic Boards	625,000	13 million
Information Desks	7,837	7.5 million
Sideboards	9,954	8.6 million
Irrigation Locks	720,000	5.4 million
Outdoor Toilets	2,412	7.3 million
Small Truck Trailer Covers	4,830	7.4 million
Park Benches	240,000	8 million
Park Tables	60,000	8.4 million
Fence Railings	1 million	13 million
Koran shelves (for mosques)	30,000 (plastic)	6.6 million
Cutting Boards	370	2.6 million
Fishing Nets	150 tons	7,717,000
Fishnet Bags	168 tons	4,133,000
Children's Toys	1,883 tons	11,058,000
Loose-leaf binders	9,177 tons	
Agricultural Shipping Crates	2,537 units	
Fertilizers	2,917 units	8 million
Large Planters	30,000 units	

Product	Annual Capacity	Total Investment (Riyals)
Industrial Paper	3,000 tons	53 million
Windows, Shutters, & Frames	2,000 tons	29 million
School Supplies	300,000 Bags	13 million*
	1 million Pens	
	2 million rulers & pencils	
	1 million graphic sets	
Safety Tools	500 tons	4.5 million
Plastic Wear Recycling	5,000 tons	20 million
Formaldehyde	25,000 tons	20 million
Melamine Resin	2,000 tons	18 million
Ammonium Sulfate	100,000 tons	57 million
Polyethelene Glycole	27,000 tons	40 million
Large Planters	1,500	1.5 million
Fertilizer Shipping Crates	761	1.8 million
Milk Cans	9,000 (4-liter)	2.7 million
Solid Caustic Soda	50,000 tons	80 million

[Table reproduced as in original]

*Total value of school supplies

AFGHANISTAN

Protocols Signed With Altay Kray

91AS1045B Kabul THE KABUL TIMES in English
6 May 91 p 4

[Text] A protocol on cooperation between the Afghan ministries of Commerce, Agriculture, Construction, Water and Power and Transport and Altay Kray of the Russian Soviet Federative Socialist Republic (RSFSR) was concluded here on Sunday.

Under these protocols, the Altay Kray will assist Afghanistan in delivery of wood, machinery, road construction, repair of Torghundi road, drill of deep wells, rehabilitation and repair of water supply canal.

According to another report, the delegation also signed protocols on commercial cooperation with some Afghan national traders in Kabul.

Under the protocols, Altay Kray of RSFSR cooperates with the Afghan entrepreneurs in establishment of a factory of plastic footwears, wool processing factory, macaroni production factory and the set up of Afghan stores in Altay Kray.

Agreement Signed With All-Soviet Journalists Union

91AS1045D Kabul THE KABUL TIMES in English
12 May 91 p 4

[Text] Kabul, 12 May (BIA)—Protocols on cooperation between the Journalists Union of Afghanistan [JUA] and the All-Soviet Journalists Union were signed here on Saturday. The signing ceremonies were attended by Abdullah Shadan, Chairman of the Journalists Union and O.A. Stepanovich, minister counsellor of Soviet Embassy. The documents were signed from the Afghan side by Farid Shaian, deputy chairman of the Union and from the Soviet side by S. Alexander, deputy chairman of the Soviet Journalists Union.

As per the protocol, Afghan and Soviet journalists will exchange items on overall situation in their countries and would facilitate journalists of the sides in preparation of reports.

The Soviet journalist delegation has arrived in Kabul lately at the invitation of the JUA.

Appointments to Constitutional Council Announced

91AS1046B Kabul THE KABUL TIMES in English
4 May 91 p 1

[Text] (BIA)—As per the order of President Najibullah and in line with article 125 of the Constitution of the Republic of Afghanistan, Abdul Hadi Khalilzai, first deputy to the Attorney General and Prof Abdul Aziz, rector of the Islamic University have been appointed as members to the Constitution Council, reports the Presidential press centre.

Germany Willing To Resume Relations

91AS1045C Kabul THE KABUL TIMES in English
7 May 91 pp 1-2

[Text] (BIA)—Quoting an article by the State Minister for Foreign Affairs of the FRG published in the Courier Magazine, MUJAHID WOLOS publication has reported in its 15 and 16 issues that government of the FRG wants to resume its relations with Afghanistan.

The article has said that in the light of radical changes in Europe, particularly to we Germans the question of Afghanistan ceased to exist any more since February 1989, when the last Soviet soldier left Afghanistan. After German reunification we still see that war is still going on in Afghanistan and the human beings are killed in this country and the shipment of arms has not ceased. The resolution of the UN General Assembly dated 1 May 1989 urging a political settlement, an end to hostilities and conditions for the restoration of peace and a normal life has not come true yet.

This situation not only has increased distress in Afghanistan, but it has engulfed with some crisis its neighbours too.

The article has continued that after the withdrawal of the Soviet forces from Afghanistan we want democracy in the nonaligned Afghanistan. Following the Soviet troop pull-out 12 member countries of the European Union met in Madrid and urged all conflicting sides including the opposition groups to take into consideration the realities and form a broad-based government through negotiations but not through military means. The resolution has stressed that the efforts of the UN Secretary General towards the formation of such government in Afghanistan should be supported.

The article has emphasized that the responsibility of the settlement of the Afghan issue will rest on the United States and USSR. They have narrowed in their recent talks their differences on the Afghan problem. The FRG hopes an immediate political settlement for the Afghan issue.

The article has added that the FRG has traditional friendly relations with Afghans and the peaceful settlement of the Afghan issue will give this country a chance to resume its friendly ties with Afghanistan. We established Amanilycee in Kabul in 1929 from which some of the prominent figures of the leadership of Afghanistan have graduated.

Mahipar hydro-power station was built with our financial cooperation and we hope to extend our cooperation for this country. With the political settlement of the Afghan issue, Afghan emigrants in Pakistan and other countries will return to their homeland.

Moderates Form Coalition in Support of Ex-King

91AS1047C Kabul THE KABUL TIMES in English
16 May 91 p 1

[Text] Three Afghan opposition groupings, stationed in Peshawar have decided to form a coalition in support of the ex-king of Afghanistan, Mohammad Zahir. The decision implies that these three moderate groups have separated themselves from Gulbuddin and Sayaf who have always opposed the political settlement of the Afghan question, reports radio "Islamic Voice."

The said groups Nejat-e-Mili, Mahaz-i-Mili and Harakat-e-Islami are led respectively by Sebghatullah Mujadidi, Sayed Ahmad Gilani and Mawlawi Mohammad Nabi, and their decision have been confirmed by the mass media too.

Officers Promoted in Lowgar Province

91AS1046A Kabul THE KABUL TIMES in English
30 Apr 91 pp 1-2

[Text] Kabul, 30 Apr (BIA)—As per the decree of President Najibullah, the following officers have been promoted in appreciation of their active participation in combat operations in Mohammad Agha district and Tangi Waghjan in Logar province and honest services towards implementation of the policy of National Reconciliation.

From the rank of Lt General to the rank of Col General:

Lt General Abdul Rashid Dostum s/o Rahim Bai, hero of the Republic of Afghanistan.

From the rank of Maj General to the rank of Lt General:

1. Sayed Jafar Naderi s/o Mansor Naderi.
2. Sayed Hissamuddin s/o Daud.

From the rank of Colonel to the rank of Maj General:

1. Abdul Ghafar Pahlawan s/o Shah Neyaz.
2. Fateh Mohammad s/o Mohammad Ghaus.
3. Ata Mir s/o Shah Mohammad.
4. Mohammad Rahim s/o Mohammad Omar.
5. Gul Ahmad s/o Abdul Jabar.
6. Abdul Halim s/o Abdul Hamid.
7. Mohammad Moeen s/o Naim.
8. Mohammad Naim s/o Nazar Mohammad.
9. Zalmai s/o Abdul Razaq.

Moreover, 400 officers and non-commissioned officers have been honoured with extraordinary promotions while 400 others have been appreciated with orders and Medals of the Republic of Afghanistan.

Promotion to Rank of General Announced

91AS1046C Kabul THE KABUL TIMES in English
6 May 91 p 1

[Text] Kabul, 6 May (BIA)—As per a decree of President Najibullah, Pilot Colonel Abdul Hamid has been promoted to rank of general in appreciation of his services

for realisation of the national reconciliation policy, defence of the independence, territorial integrity and national sovereignty of the country.

More Promotions to Rank of General Announced

91AS1046E Kabul THE KABUL TIMES in English
21 May 91 p 1

[Text] (BIA)—As per a decree of President Najibullah, Colonel Abdul Hadi s/o Abdul Wasi and Colonel Abdul Qadeer s/o Jandel have been promoted to the rank of general in appreciation of their praiseworthy services and active contribution to peace and realisation of national reconciliation policy in the country.

Officers Promoted to Rank of General

91AS1046D Kabul THE KABUL TIMES in English
22 May 91 p 1

[Text] (BIA)—As per a decree of President Najibullah, officers Abdurashid Tatar s/o Mulla Berget, Colonel Abdurrahim Hakimi s/o Muhammad Hakim and Colonel Ghulam Sakhi Siddiqi s/o Mohammad Siddiq have been promoted to General rank in appreciation for their active contribution to realisation of national reconciliation policy.

Commentary Alleges Refugee Situation Deteriorating

91AS1047A Kabul THE KABUL TIMES in English
8 May 91 pp 1-2

[Editorial: "Refugees in Pak Suffering Life Destitute"]

[Text] Latest reports from the Pak-based Afghan refugee camps speak of deteriorating situation therein. Incompetency of the Tanzim heads and reduction of foreign assistance to the refugees have prompted the Pak security forces to further belittle the Afghan refugees who want to return home, says a BIA commentary.

Unemployment, malnutrition, epidemics and a host of other agonies have engulfed the refugee camps. The fact that recently Mujahiddin "interim government" dismissed its employees has added to the miseries of the refugees and now only those who fight against their own people receive financial support.

This situation has made the refugees suspect the Tanzim heads deeds and practices. Because they have been witness to the fact that the Tanzim heads are merely engaged in inner-interneccines and accumulating wealth through looting their own people's funds and at times properties.

Journalists visiting the camps say that the refugees have completely lost faith in the Mujahiddins' victory and are anxious to return home.

Most of the refugees are there just because their sons are with the Mujahiddin. Moreover their return home is being impeded by the Pak and Mujahiddin elements as well.

A western journalist reports from the camps that after the withdrawal of the Soviet forces, protraction of the war in Afghanistan is meaningless and the Mujahiddin are required to give positive responses to the Afghan state's peace offers. However, the Tanzim heads use the refugees as cannon-fodder.

The refugees understand well now that the Tanzims' actions are in full contradiction with the interests of the people of Afghanistan and the world "Jehad" has lost its value.

Even those refugees having close relations with the Tanzim heads are complaining now stressing that what really prevents refugees' return home is creation of panic and threats among them by the Tanzim groups. Thus, the refugees no more want to obey the Mujahiddin groups and are trying to take distance from them.

Rejection of the Mujahiddins' "election plan" by the refugees inside Pak-based camps attests to this very fact.

Persistent injustice in distribution of foodstuffs is another factor that has dissatisfied the refugees, compelling them to come out in search of employment.

Moreover, insecurity, looting of people's properties, abduction and humiliation have become the order of the day inside the refugee camps.

Not only the Afghan intellectuals but the foreign nationals who are employed by the charity organisations in the Pakistani cities are not secure. Because, many Afghans and foreign nationals have been either killed or abducted by the extremist groups so far.

Finally, one comes to the conclusion that the Pak-based refugees are leading miserable lives indeed due to the inhuman acts of the Tanzim heads and their foreign upholders, the BIA commentary notes.

Solar Heating Center Inaugurated

91AS1047B Kabul THE KABUL TIMES in English
15 May 91 p 4

[Text] (BIA)—A system of Solar heating centre was inaugurated yesterday in the Military University by Eng Mir Abdul Ghafour Rahim, Minister of Water and Power.

The system having 322 collectors has been channelled to eight students' residential blocks.

With a capacity of heating 8000 liters water per day, it cost totally Afs[Afghanis]three million met from the budget of the University.

BANGLADESH

Press Reports Trial of General Ershad

Pleads Innocent, Explains Arms

46001398A Dhaka THE BANGLADESH OBSERVER
in English 28 Apr 91 pp 1, 8

[Article: "Innocence Pleaded; Case Politically Motivated: Ershad"]

[Text] Former President Hussein Muhammad Ershad on Saturday pleaded not guilty to the charge of possessing unauthorised arms and ammunition saying that the case was filed against him out of political motivation, reports BSS.

He told the Special Tribunal, chaired by the Senior Special Judge, Mr. Muhammad Habibullah, that he was totally innocent.

Before the accused made this statement, the Judge read out the accusation brought against him (Ershad) in course of the prosecution charges, the deposition by the prosecution witnesses, the examinations in chief and cross-examinations during the trial before the court.

Judge Mr. Muhammad Habibullah also asked the accused whether he would forward the defence witness in his favour. The accused replied in the affirmative.

Clad in a full-sleeve safari suit, the accused ex-President responded to the Judge saying "Yes Sir, I will make statement before you and through you shall seek justice." He remained standing all throughout and leaned on the railing of the accused box while reading out the written statement.

Earlier, the Judge rejected a prayer from the defence which sought to produce a gun before the court that was presented to the military museum by the accused while he was the President of the country.

Judge Mr. Muhammad Habibullah made brief intervention asking the accused to submit his statement under Section 342 of the Cr. P.C. relevant to the case, as far as possible.

Mr. Ershad stated that the four D.B.B.L. guns, four pistols and the 375 rounds of ammunition were kept at his residence while he was President of the country. According to the complaint, those articles were recovered from the glassroom of the "Sena Bhaban". But the accused said: "When the inventory was prepared, I was not present there," adding that his request to accept Begum Raushan Ershad as his representative during the search and recovery was also rejected. Mr. Ershad said the request was rejected on the plea that Mr. Mustafizur Rahman was present "as my representative." But he said he sought to categorically state that Mr. Mustafizur Rahman was authorised by him only to receive his personal effects. But he came to know now that Mr. Mustafizur Rahman had deposited to the police four

licensed arms and another four unlicensed arms along with some ammunition to the police. "During the deposition by the prosecution witness I came to know further that four more D.B.B.L. guns were recovered from the 'Sena Bhaban', Mr. Ershad added.

He said, "Coming to know from the Investigating Officer about this I told them that four pistols were presented to me by Iraq and Yemen. Three of them were from Iraq and one was from Yemen. Four D.B.B.L. guns were also presented to me by foreign dignitaries."

Mr. Ershad also told the court that now he had realised that the concerned officials who were supposed to do the necessary postings of such presentations received by him from foreign dignitaries as head of the government totally failed to perform their duty. "I said this to the Investigating Officers," Mr. Ershad said.

Mr. Ershad further said these presentations were received by me as the President of the country and not as the 'person Ershad'. The complaints are suffering from a blurred view in this regard, the former President said, adding he was not supposed to know the details in such matters.

Since "Sena Bhaban" is a part of 'Bangabhaban', state functions usually take place there too when presentations from visiting dignitaries are made there, Mr. Ershad said.

On occasion such presentations are brought there to display them before the visiting dignitaries from the state 'Toshakhana,' Mr. Ershad said adding that at times some of those pieces are kept back there for display.

I told the Investigating Officer, "the former President said, "That I presented one 30-06 gun to the military museum and asked the concerned officials of the museum to take away one rifle from the Sena Bhaban along with the ammunition.

He, however, admitted that since they could not identify the ammunition, eleven of them were not taken by them.

The President enjoyed exemption under a law promulgated on November 29, 1973 in respect of the possession of all kinds of arms and ammunition except those described in the schedule. He claimed that D.B.B.L. gun of 12 bore, and four pistols are exempted from license. He said the words or expression "intermediate bore" have been misinterpreted and distorted to give a different interpretation by the prosecution which he refused to accept.

He further stated that any pistol below 22 bore is not usable. The 1973 law mentioned, 455 and there is no mention regarding other bores, he maintained. He said that the arms and ammunition which were stated to be under his (Ershad's) illegal possession were deposited by Mr. Mustafizur Rahman with the Chief Metropolitan Magistrate (CMM) and others within the period of the general amnesty.

The deposed President further submitted the allegation against him were unrealistic because the controversial arms and ammunition were received by the President of the Republic as gifts. He said it was not the personal responsibility of the President to either preserve them or send them to the Toshakhana.

Mr. Ershad said a President accepts these gifts on behalf of the people and preserves them for the next President but the responsibility of these arms were thrust on him (Ershad) though he had resigned on December 6, 1990 by the transferring power in accordance with the provisions of the Constitution.

He further stated that the arms and ammunition were received, as gifts, in presence of the CMM within the stipulated period of the amnesty.

The deposed President Ershad submitted that this case was instituted on the basis of misinterpretation of article 52 of the Constitution. He maintained that a President was not accountable to a court for any of his actions during the period of his responsibility.

He further said that the prosecution had viewed this issue one-sidedly and did not consider the fact that the President was not only a person but an institution.

After the statement made by the accused before the tribunal, Judge Mr. Muhammad Habibullah said that summons on three defence witnesses were issued as prayed for by the defence.

The Defence witnesses are Lt. Gen. (Rtd) Atiqur Rahman, former Chief of Army staff of Bangladesh Mr. Issam Nooh Mohammad, Administrative Officer of the Embassy of Iraq, Dhaka, and former Personal assistant to the former President, now posted at the Military Academy, Chittagong, Subedar Mohammad Shahjahan.

The court disallowed the prayer for summoning two other defence witnesses saying their names did not appear to be specific and clear to the court. Hence, the prayer for summoning those two witnesses were rejected.

Attorney General Aminul Huq, assisted by two deputy Attorney Generals Amirul Kabir Chowdhury and Hassan A. Arif along with special public prosecutors, advocates Abdul Mannan Bhuiyan, Fazlur Rahman Khan, Azizul Islam Khan and Assistant Public Prosecutor Farid Ahmed and advocate Farah Hussain appeared for the prosecution.

The defence was led by Serajul Huq assisted by Yusuf Haider Humayun, Kazi Shahadat Hussain, Mafizur Rahman Majumder, Mohammad Sharif and Rezaul Karim.

Former Chief of Staff Testifies

91AS1036B Dhaka THE NEW NATION in English
1 May 91 pp 1, 8

[Article: "Atiq Not Aware of Ershad's Arms"]

[Text] Former Army Chief-of-Staff, Lt. Gen. Atiqur Rahman, deposed yesterday as defence witness before the special tribunal which is hearing the case against ex-President Hussain Muhammad Ershad for possession of illegal arms, reports BSS.

The other defence witness was a non-diplomatic administrative officer in the Iraqi Embassy in Dhaka, Mr. Issa Nooh Mohammed, who certified a letter written by his Ambassador, Zuhair Mohammad Alomar, on three pistols.

Prosecution earlier produced 15 witnesses, including a senior police officer, who was gained over by the defence. The witness mainly deposed that the eight firearms did not have any supportive documents to show that they were authorised.

Lt. Gen. (retd) Atiqur Rahman said, former President Ershad had donated a "weapon" to the Army Museum, opened in late 1987. It was a casket, he said and added he did not check it. The donation appeared to be very old, he thought.

He said, he did not know how foreign dignitaries presented gifts to the President, but he was aware of how gifts were given to the Chief of Staff by a dignitary. There is a ceremonial programme for the presentation.

Gen. Rahman said arms were on display both at Bangabhaban and Sena Bhavan, Ershad's official residence. He saw some arms preserved in the almirah framed by glass in the Sena Bhavan, but he did not know what those were and wherefrom they came.

He denied having any knowledge about the arms case against Ershad, i.e. wherefrom and how it came. The former President donated arms to the Army Museum but he (Gen. Rahman) was unaware of the calibre except 3006.

The former Chief of Staff, who succeeded Gen. Ershad, worked directly under him for eight years. He denied that he was giving evidence in favour of the accused because he got illegal promotion earlier.

Cross-examined by Attorney General Aminul Huq, Gen. Rahman said at one stage he was declared 'invalid' by a medical board and the opinion was concurred to by the then Army Chief-of-Staff Lt. Gen. Ershad, but late President Zia disapproved.

Gen. Rahman said it was untrue that under his instruction 110 arms were bought from Italy at a cost of Taka ten crore, and those were later found to be unserviceable. Mr. Huq was heard saying at this stage that this statement might lead to another "Bofors scandal".

He said when he was on leave preparatory to retirement he had proposed to form a bank comprising Army, Sena Kalyan organisation and Muktijodha Sangstha, but Army finally turned it down. It was to be known as National Trust Bank.

Gen. Rahman himself was ready to offer five percent of the share of the proposed bank. It was not true that he wanted to offer share of Taka four crore. In fact, he wanted to offer much less than Taka four crore.

Examined by defence counsel Sirajul Huq, the Administrative Officer Nooh Mohammed of Iraqi Embassy said he came to the court to prove the "letter written by the Ambassador of Iraq in Bangladesh."

The letter said three pistols were presented to former President Ershad by President Saddam Hossain as gifts during his four visits to Iraq. They were accompanied with magazines and ammunition.

Mr. Nooh Mohammed said the pistols were polished with gold by Iraqi women of Shaheed family. But "I do not know who asked for the certificate or if the arms mentioned were gifts or when presented."

The contents of the letter on three pistols, he added, are correct because the Ambassador signed it."

The court rose for the day to resume on May 4.

Testimony Ends

91AS1036C Dhaka THE NEW NATION in English
5 May 91 p 3

[Article: "Witness Not Aware of Ershad's 10-Cr Taka"]

[Text] The examination of prosecution and defence witnesses closed yesterday before a Special Tribunal trying former President H. M. Ershad for illegal possession of eight fire arms and 375 ammunition, reports BSS.

The production of defence witnesses ended yesterday with the deposition of Subedar Shahjahan Sheikh, now posted in Chittagong.

Earlier after deposition of prosecution witnesses, Mr. Ershad had made a statement on April 27 denying the charges.

On Attorney General Aminul Huq's pleading, the Court accepted three of its (court) witnesses, who are: Two high military officials and Iraqi Ambassador Zuhair Mohammad Alomar. The Tribunal resumes hearing on May 7 (Tuesday).

Subedar Shahjahan submitted to the Tribunal that before his new posting at Army Academy in Chittagong, he was a Personal Assistant (PA) to the Supreme Commander of Armed Forces, i.e., ex-President Ershad. He worked with him for ten months—from January 25 to December 12 last year.

Shahjahan worked for maintenance of personal file of the President—pay and allowances, TA [travel allowances?], and DA [daily allowances?] claims services records, private cars, licenses of private arms and other documents of personal nature.

He deposed that he remembered to have given to Gen. Ershad license of arms and personal file between December 6 and 12. Shahjahan quoted him (Ershad) as saying that he had given to Army Museum a rifle.

In reply to a question by the Defence Counsel Sirajul Huq, he said, under the signature of Ershad a letter was written to Deputy Commissioner, Dhaka for issuance of license of D.B.B.L. gun. It was forwarded by Lt. Col. Sharifuddin.

Subedar Shahjahan used to go to Sena Bhaban, whenever so asked, and saw on display the arms preserved in a show case with glasscover. He said, food used to come from Bangabhaban to Sena Bhaban, Ershad's official residence.

Cross-examined by Attorney General Aminul Huq, Shahjahan said, he did not see any license of fire arms of 30-36. He also did not see any reply from Deputy Commissioner (in reply to the letter for issuance of license).

He also could not say about the movement of the file to the Deputy Commissioner's office. There is a seal of Deputy Commissioner but bearing no report, no signature, he said in reply to a question from the Attorney General.

When the Subedar was in Sena Bhaban on the morning of December 5, he saw Gen. Ershad and the then Col. Shariful Huq coming with one suitcase, a box and a handbag. But he did not know their contents.

Replying to a question from the Attorney General, he said, he did not see any pistol or rifle in or outside the Sena Bhaban on display.

Asked if he went to Savar to look after the landed property of ex-President Ershad Subedar Shahjahan replied in the negative. He also denied that there was Taka ten crore in a locker. He did not know if the money was a subject matter of the court of enquiry.

The Attorney General was assisted by Deputy Attorney General Hasan Arif and Assistant Public Prosecutor, Farid Ahmed.

Mr. Sirajul Huq appeared for the defense. Kazi Shahadat Hossain, Sharif Ahmed, Yusuf Hussain Humayun and Mr. Mustafizur Rahman Majumdar also appeared for the defense.

Iraqi Gifts Discussed

91AS1036D Dhaka THE BANGLADESH OBSERVER
in English 8 May 91 pp 1, 8

[Article: "Saddam Was a Close Friend of Mine: Ershad"]

[Text] The recording of evidences of all the witnesses ended Tuesday before the Special tribunal holding trial of former President H. M. Ershad for possessing eight pieces of unauthorised arms and 375 pieces of ammunition, reports BSS.

The Tribunal examined 14 prosecution witnesses, three from defense and two from the court. After deposition of the witness Abdul Jalil, Protocol Officer of Bangladesh, Mr. Ershad also made a statement.

The court witness Jalil said there was no mention of Ershad's visit to Iraq in the itinerary of 1985 and the programme did not indicate gifts from abroad during his visits. He said he had no knowledge when Ershad visited Yemen.

The Administrative Officer of Iraq testified on behalf of his Ambassador, Zuhair Mohammed Alomar, in a post-dated letter that during state visits to Iraq President Saddam Husayn presented President Ershad with three pistols, "one in 1985 and two in 1989."

Mr. Ershad told the court that he "probably" had gone to Iraq in 1984 when he was offered a pistol and in 1989 two of golden-colour pistols by President Saddam Husayn as a gesture of "brotherhood." He said he did not visit Iraq in 1985.

The former President said President Saddam was a "close friend of mine" and the court could know the "truth" if they approach Foreign Office to "check" it up. "Each one of those" (pistols) was presented by Iraqi President, he said.

Gen. Ershad said the programmes did not mention the gifts when foreign dignitaries came to Bangladesh. No programme contains such gifts since it has been a gesture of goodwill and friendly ties, he said.

Senior Judge of the Tribunal, Mr. Mohammad Habibullah, said earlier it was the prerogative of the envoys to decline court summons because they are covered by Geneva Convention. He wanted to know if the letter was routed through normal diplomatic channels.

The Administrative Officer of Iraq appeared in the court as a defense witness to depose on April 30 that "the contents (of the letter) are correct because (their) Ambassador signed it." "The letter was dated April 21 last," the letter said.

The court was adjourned till May 14 when the judge will start hearing the prosecution and defense arguments to make out their respective cases. The arguments are likely to take two days.

The tribunal earlier shifted to May 21 the date of trial of the anti-corruption case of keeping in Sena Bhaban over Taka two crore beyond known source of income. The case was due for hearing on Tuesday.

Attorney General Aminul Huq appeared for the state. Deputy Attorney Generals, Hasan Arif and Amirul Huq Choudhury, and Assistant Public Prosecutor Farid Ahmed assisted the prosecution.

The Defense Counsel Mr. Sirajul Huq was assisted by Kazi Shahadat Hossain, Shariff Ahmed, Yusuf Hussain Humayun and Mustafizur Rahman Mazumdar.

Further Details

91AS1036E Dhaka THE NEW NATION in English
8 May 91 pp 1, 8

[Article: "Iraqi Envoy's Certificate Contradicted; Ershad Did Not Go to Iraq in 1985"]

[Text] Former President H. M. Ershad literally broke down in tears in the court yesterday while complaining he was not allowed to meet his son.

"I cannot touch him, I cannot see him, what wrong have I done," said the General (ret'd) who ruled the country with iron hand for nearly 9 years before being overthrown by a mass upheaval.

His 8-year old only child is staying with his mother at a Gulshan sub-jail from where Ershad, now facing a case of possessing illegal arms, had been shifted to the Dhaka Central Jail on April 18.

Resting his arms on the dock, Ershad told the judge that he was not being allowed to talk to his lawyers for one and a half months and meet his son.

Learned judge of the Special Tribunal Mohammad Habibullah said it was not brought to his notice earlier. He asked the Attorney General to provide the accused all facilities in accordance with the law.

Earlier, Abdul Jalil, Protocol Officer of Bangabhaban, appearing as witness in the court produced a list of tours abroad of ex-president Ershad.

It showed that Ershad did not go to Iraq 1985. This contradicted a certificate of Iraqi Ambassador in Bangladesh which said the accused visited Iraq in 1985.

The certificate purported to have been issued by Ambassador Zuhair Mohammad Alomar on April 21, 1991 had been produced in the court by the defence in support of its claim that the pistols, subject matter of the case, were gifts.

The certificate said Ershad paid official and state visits to Iraq on four occasions. In course of those visits in 1985-89, President Saddam Husayn presented him with 3 pistols, 1 in 1985 and 2 in 1989. As a gesture of friendship and brotherhood, Saddam presented all these pistols with magazines and ammunition as gifts.

Deposing in the court, Ershad said he had visited ¾ times to Iraq during his presidency, the first probably in 1984, when I was given as gift one black pistol by President Saddam Husayn "who was my close friend."

He said he visited Iraq last in 1989 when he was gifted two golden pistols by Saddam Husayn as gesture of goodwill. Occasion of presenting such gifts was not ceremonial and hence not mentioned in official itinerary, Ershad added.

Deposing further, the ex-president said timing of his visit may have been mistakenly mentioned in the certificate. But the fact remains that I have received those pistols as gifts from Iraq, he added.

He suggested the confusion of year of visit can be cleared by the Foreign Ministry with the Iraqi government. He said he is confident the truth will come out from the query to Iraqi government.

Ershad said as far as he can remember some of those accompanied him in the first visit to Iraq also received pistols as gifts.

The court was adjourned till May 14 when the prosecution and defence are expected to start argument.

Earlier, the court set May 21 to take the second case against the former president in which he has been charged with amassing wealth beyond his known sources of income.

The special tribunal was scheduled to take up the case yesterday but shifted the date for the third time on suggestion of the prosecution counsel that the second case may be started after judgment on the first one.

IRAN

Baker's Middle East Visit Viewed

91AS1009A Tehran KAYHAN INTERNATIONAL
in English 15 May 91 p 2

[Text] This week, United States' Secretary of State James A. Baker embarked on his fourth Middle East peace mission since the end of the Persian Gulf war. In a final attempt to build an Israel-Arab peace process, the American official visited Damascus, Cairo and Amman and will hold several rounds of talks with Israeli officials in Jerusalem today, Wednesday.

Mr. Baker has been pressing a two-track policy—to find solution on the separate issues of the Israeli-Palestinian relations and the broader issue regarding Israel and other Arab governments. Despite the temporary elation brought about by the pledge of Saudi Arabia and its allies to participate in direct talks with Israel, a somber mood descended on Monday because of the uncompromising noises emanating from Israel.

Israeli Premier Yitzhak Shamir, setting out conditions ahead of Baker's visit, said that the Zionist government would never yield any part of its disputed capital, Jerusalem. In a loud and clear message he said that any attempt to reduce or limit Israel's "exclusive rule over the old city (Jerusalem) will be rejected out of hand." Washington is seeking a settlement based on the principle of Israel trading captured land for peace with the Arabs. Yet Shamir said that not only would he never relinquish an inch of Jerusalem, he intended to enlarge the city into the occupied West Bank!

Another clear signal that the Bush initiative has ran into serious trouble is Syria's refusal to yield on crucial issues holding up the Mideast meeting. Syria insists on the U.N. having an important role in the peace conference but Israel regards the United Nations as irretrievably hostile and is determined to keep it out. The other issue is whether the confab should be able to call itself back into session periodically to review progress—the Arabs say it should. Israel says no.

Considering these realities, it is almost certain that the opportunity window of an Arab-Israeli settlement will soon be shuttered. Indeed, one should not be amazed by the lack of progress in Baker's travels. During the American official's Mideast trip late last month, he saw a serious erosion of the prestige the United States has gained in the region with the Persian Gulf war victory. And despite assurances by the Bush Administration as to the genuineness of its intent to solve the Palestinian crisis, it is nonetheless difficult to avoid the impression that what the U.S., in the final analysis, wishes to achieve in the region is the establishment of a "pax Americana."

Distrust of U.S. foreign policy may be revived even by a cursory glance at the latter-day history of this part of the world where a state of that region has for years, up to the present, been allowed not to respect and not to implement a single of the many U.N. resolutions aimed at establishing peace in the Middle East. America's massive assistance to create better living conditions for the Jews immigrating to Israel could not but irritate Arab public opinion and lead it to conclude that the United States has long decided to help only one side in the Middle East.

The inevitable conclusion against the whole of this backdrop is that nothing will ever be achieved without the United States' open and public acknowledgement of the inalienable rights of the Palestinian people. The United States rejected the taking of Kuwaiti lands; the world expects an equal solution regarding the land of the Palestinians.

U.S. Approach on Cypriot Dispute Viewed

NC0561045 Tehran Voice of the Islamic Republic of Iran in Turkish 1600 GMT 2 Jun 91

[Unattributed commentary: "Tension Between Turkey and Greece"]

[Excerpts] The conflict on the administration of Cyprus has been a problem between Turkey and Greece for a long time. Turkish officials have submitted a proposal to President Bush and UN Secretary General Perez de Cuellar to resolve the crisis. The proposal calls for the convening of a quadripartite meeting between the representatives of Greece, Turkey, and the Turkish Cypriot and Greek Cypriot sides. The meeting would be held within the framework of the UN effort to resolve the disputes between Turkey and Greece. [passage omitted]

The U.S. approach is interesting. During talks with President Yeoryios Vasiliou of Cyprus, President Bush informed his guest that the Cyprus problem is a special case for the United States. Political observers have interpreted President Bush's remarks as a hint that the United States wishes to see a Cyprus in which the Turkish Cypriots live as a minority community.

Actually, the strengthening of Islamic communities in the Balkans have caused concern in the West. As an Islamic country, Turkey is trying to maintain a more active role in the Balkans. In fact, President Turgut Ozal's latest disclosures have confirmed this approach. Ozal said that the 21st century will be one in which Turkey will become more influential. In this century, Turkey will be the leader of the Muslims in the Balkan countries. Political observers note that the friendly relations the United States has with both Turkey and Greece has placed Washington in a difficult position. Meanwhile, the fact that both Turkey and Greece are important members of NATO [word missing] to the problem. The United States, therefore, wants to have the problems between Turkey and Greece solved in a way which will maintain NATO's unity and safeguard U.S. interests.

Meanwhile, Islamic communities in the Balkans threaten U.S. interests in the region. Therefore, an effort is being made to prevent Turkey from becoming more influential in the region. The political observers believe that the United States wishes to use Greece and Cyprus as a means of pressure against Turkey. On the other hand, Greece is using the Cyprus problem to force Turkey to make concessions to Athens.

Japan Criticized for Not Helping Iraqi Refugees

LD1261037 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0930 GMT 12 Jun 91

[Text] A Japanese delegation, headed by Japan's deputy health minister in parliamentary affairs, which has come to Iran in order to investigate the Iraqi refugees' situation and visit their settlements, met today with Dr. Malekzadeh, the minister of health, treatment, and medical education.

During the meeting, the means for erecting a field hospital and dispatch of technical experts to the area were discussed. During this meeting, the Iranian health minister said: It was expected that Japan, with regard to the Iraqi refugees, whether they be in the north or the south, would cooperate more because the refugee issue, in addition to being a human catastrophe, has occurred at a time when our country is making efforts to reconstruct the war-stricken areas, and to deal with health and treatment in those areas.

He also declared Iran's readiness to expand cooperation with Japan in the areas of medical education and health and treatment issues.

Labor Minister Elected ILO Committee Head

NC1360833 *Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0330 GMT 13 Jun 91*

[Text] Our country's minister of labor and social affairs was elected coordinator for Asian and Pacific affairs during the 78th session of the International Labor Organization [ILO]. Labor ministers from Asian and Pacific countries elected Mr. Kamali to this position by a majority. The conference is being held at the UN European Headquarters in Geneva.

Minister for Heavy Industries Holds Talks in Poland

LD0561415 *Tehran IRNA in English 1235 GMT 5 Jun 91*

[Text] Tehran, 5 June, IRNA—Iran's Heavy Industries Minister Nezhad-Hoseynian, currently visiting Poland, discussed mutual relations with Polish Prime Minister Jan Krzysztof Bielecki in Warsaw Tuesday.

During the meeting, Bielecki expressed condolence over the second anniversary of the demise of the founder of the Islamic revolution Imam Khomeyni, and called for further strengthening of Tehran-Warsaw "friendly" relations.

Nezhad-Hoseynian elaborated on the economic policies of the Islamic Republic of Iran regarding the expansion of ties with Poland.

Earlier on Monday, Nezhad-Hoseynian outlined Iran's five-year development plan (started last year) to Polish Deputy Prime Minister and Minister of Finance Balcerowicz.

The two sides welcomed grounds for joint cooperation, including investments in either country and called for further contacts between Iranian and Polish officials.

Polish Foreign Trade Minister Dariusz Ledworowski in a separate meeting with Nezhad-Hoseynian in Warsaw on the same day, called for the purchase of 2.3 million tons of Iranian crude oil, and said his country is ready to ink a long term contract with Iran for oil imports.

He also announced Poland's readiness to import Iranian natural gas, and said his country agrees in principle for setting up a permanent exhibit in Warsaw for Iranian products.

Rafsanjani's Fears Over Hajj Viewed

NC0261551 *(Clandestine) Voice of Iranian Kordestan in Persian 1730 GMT 1 Jun 91*

[Unattributed Commentary: "Mullah Hashemi-Rafsanjani's Policy of Running With the Hare and Hunting With the Hounds"]

[Excerpts] Dear listeners, as the pilgrims get ready to leave for Saudi Arabia, the Islamic regime's apprehensions over this year's hajj are becoming increasingly evident, particularly on the part of President Hashemi-Rafsanjani.

As you know Iranian Muslims had been prevented from participating in the hajj since 1366 [21 March 1987-20 March 1988] when Iranian hooligans rioted in Mecca. Thanks to the recent events in the Persian Gulf, the Islamic Republic of Iran has been able to restore diplomatic relations with several regional countries, including Saudi Arabia, and it now faces a difficult test as the hajj season gets under way. [passage omitted]

Although Hashemi-Rafsanjani is apparently not going to the house of God himself, his thoughts and words have been dominated by worn over how the hajj will be performed. As the country's president, who wants to normalize Iran's relations with the outside world, especially the United States, Hashemi-Rafsanjani fears that agitators may again cause problems for the government during the hajj and visits to the holy places, so that the Islamic Republic of Iran is once again branded a lawless and anarchic regime.

On the other hand, he also realizes that if the pilgrims do not stage the usual disavowal of pagans march this year—the highest hajj for the Iranians since Khomeyni's death—then the faction known as the hardliners may accuse him and his colleagues, as well as Mr. Khamene'i as leader of the world's Muslims, of deviating from the imam's line.

Hashemi-Rafsanjani's anxiety was evident in his speech of 28 May at the so-called ceremonies for the convocation of the hajj congress. [passage omitted]

Hashemi-Rafsanjani tried to run with the hare and hunt with the hounds. While stressing that this year's hajj should be performed as it was in Khomeyni's time, he also implicitly appealed to the hardliners not to cause trouble for him during the hajj by carping criticism. [passage omitted]

Dear listeners, Mr. Hashemi-Rafsanjani tried to tell the pilgrims, especially the hooligans of the regime seeking to infiltrate their ranks, that they should act sensibly during the hajj. He also tried to assure the hardliners that the imam's line and spirit is important to him.

He thus hoped to send the message that the disturbances and riots of previous years should not be repeated at this year's hajj ceremonies, and that no one should insist on marches to the point where people are killed and the Islamic Republic of Iran is humiliated. [passage omitted]

In any case, Hashemi-Rafsanjani's anxiety over this year's hajj continues. Let us see how he and his regime handle themselves during this difficult test.

Rafsanjani on Endurance of Khomeyni Ideas

LD0661911 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0930 GMT 6 Jun 91

[Text] Addressing members of the Islamic associations of the Mashhad guilds today, Mr. Hashemi-Rafsanjani, president of the republic, said: The late imma [Ayatollah Khomeyni] introduced thoughts and ideas that are eternal and everlasting. Because of their links to the people, these thoughts not only will never perish but will certainly spread as time passes.

He said that the way the people demonstrated their feelings and loyalty to the founder of the Islamic Republic during the second anniversary of his demise was very significant and valuable.

He added: The friends of the revolution were once again convinced that the movement which had begun through the popular will and the leadership of Imam Khomeyni—may God be happy with him—is gaining strength. That is so because the imam lives in our hearts and whatever lives in the heart shall be eternal and lasting.

The president said: Pests afflicting the revolution cannot slow down its onward march, because the revolution relies on the people's understanding and faith.

Giving an assurance that the Islamic revolution will continue on its path by relying on the thoughts and ideals of Imam Khomeyni—God's blessing be on him—he said: The enemies expected the values of the revolution to pale in the wake of the demise of its grand leader; they also expected it to weaken with the passage of time. However, the authority of the leader [Khamene'i] as well as the support of the people and officials and the unanimity between them forced even the propaganda machinery of the enemy to confess that the spirit of the imam is present everywhere and that the ideas of that grand leader still continue to hold sway over the country.

Mr. Hashemi-Rafsanjani praised all the strata of the people as well as government establishments and revolutionary organs which have exerted great efforts to hold ceremonies to commemorate the demise of his eminence the imam. He also said that the presence of the people in vast numbers at those ceremonies means that the path of the imam and the pure Mohamadan Islam are crystalizing.

Members of the Islamic associations of Mashhad guilds are in Tehran to take part in ceremonies marking the second anniversary of the demise of Imam Khomeyni, may God be happy with him.

'Controversy' Between Two Factions Viewed

NC0661202 (Clandestine) Voice of Iranian Kordestan in Persian 1730 GMT 5 Jun 91

[Unattributed Commentary]

[Text] Even though the mullahs never wait for an opportunity to resort to babblings, demagoguery, and lying, the second anniversary of Khomeyni's death was a good opportunity for each of the clerical regime's two factions to exploit the situation to its own benefit and against the other. The second anniversary of Khomeyni's death was of importance for the so-called moderate faction because they could boast to the public in Iran and the world about its bright record—may God preserve them from the evil eye—and show that with Khomeyni's death, the imam's ummah was not orphaned and deprived of a leader. It was also an opportunity for them to show that with the existence of a guardian of the cause of Muslims, such as Khamene'i, and a far-sighted veteran scholar, such as His Excellency the president, not only is Khomeyni's demise not a terrible blow but the situation is better now than what it was during Khomeyni's reign and the system is stronger.

On the same occasion, the faction known as the radicals tried to remind the Muslim people and the ever-present ummah of Khomeyni's stances and views and to compare Khomeyni's stands with the current stances and activities of the regime's officials in public. Then, by comparing the divine and everlasting criteria of the imam and the behavior of Rafsanjani's government, they try to make the people realize that Rafsanjani and his clique are not treading the imam's path but that they have deviated from his prophet-like course.

Obviously we should not forget that these mutual accusations do not in any way manifest a difference in the two factions' nature, essence, or stances. The basis of both factions is reaction, fanaticism, and antagonism with progress and humanity. All these brandishing of arms and all these commotions are nothing but a sham made in an effort to gain the maximum of political power and benefit in the management of affairs.

Naturally, the argument between the two factions is nothing new and existed during Khomeyni's era. But after Khomeyni's death, the controversy has become more acute and more overt. During the past two years, this controversy has surfaced in one way or another and in one form or another. It has sometimes died down temporarily with Khamene'i's intervention and threats, but it has never been uprooted.

During the past two months, two specific incidents once again gave rise to the controversy between the two factions which had apparently died down after a rapprochement. These two incidents were the way in which this year's Hajj pilgrimage would be held and Rafsanjani's call for the return of Iranian investors, industrialists, and experts to Iran.

After the reestablishment of relations with Saudi Arabia, Rafsanjani gave in to the Saudi condition that during the hajj pilgrimage Iranian pilgrims would not instigate problems and unrest as they did in 1366 [21 March 1987-20 March 1988]. But the faction known as the radicals stated that not holding the march known as the

disavowal of pagans would be a deviation from Khomeyni's directives and accused Rafsanjani and his government of deviating from the imam's line.

Meanwhile, Rafsanjani recently tried to gain the consent of Iranian investors, industrialists, and experts abroad to return to Iran and to invest and participate in the country's reconstruction. Moreover, he tried and is trying—both overtly and covertly—to normalize relations with Western countries. The radicals, however, view this as an impious act contrary to pure Mohammadan Islam and an action the demised imam would not like.

As we said, the second anniversary of Khomeyni's death was a good opportunity for both factions of the clerical regime to complain about each other next to Khomeyni's mausoleum. It was an opportunity for the so-called moderate faction to give the good tidings of its repetitive successes to the imam, and for the radical faction to complain about Rafsanjani's faction, about the fact that the imam's directives have been set aside, and that this faction has deviated from Islamic criteria and from the true path of the leader of the revolution, and to plead for justice from his soul.

Khamene'i, who considers himself Khomeyni's rightful successor and the guardian of the cause of world Muslims, grants himself the right to express views on behalf of the Iranian people. This time he spoke on behalf of the imam to the devout supporters of the imam's line. In his speech on the occasion, Khamene'i overtly defended Rafsanjani's policy on normalizing Iran's diplomatic relations with the world, his efforts for the return of Iranian investors and experts to the country, and his stance on the way in which the hajj pilgrimage is to be held. He blatantly stated that he will never tolerate any hostile behavior or stance that may weaken the current government. Moreover, he eulogized Rafsanjani and advised that the imam's ummah support his government.

Of course, these remarks by Khamene'i were aimed at the radical faction and were threatening in nature. In addition, he described any discordant effort as treachery to Islam. Undoubtedly his remarks will further disappoint the radicals. But only the future will show if the radical faction will be cast off the scene by such remarks and will give Rafsanjani and his clique the freedom of action, or if they will stay on the scene—as stated by Khalkhali—and will not allow the imam's stances and views to be forgotten and will prevent the return of Western values to Iran.

Shops Ordered To Change Foreign Names

LD0261653 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 1130 GMT 2 Jun 91

[Text] The law enforcement agency's department in charge of inspecting public places in greater Tehran, yesterday sealed and locked 11 shops situated in Vali-ye 'Asr and Tehran Pars districts for violating the law on

observing Islamic decency, on the basis of a ruling by the Islamic revolution's Public Prosecutor General's Office.

An official from the department in charge of inspecting public places in greater Tehran security zone took part in a news conference and said that following inspections made by that department's inspection units, and after the setting up of a security force, the level of violations by shops has fallen from 80 percent to 25 percent. He added that this action is going to continue forcefully in the future.

Also, elaborating on statistics pertaining to the activities of the department in charge of inspecting public places in greater Tehran security zone, the official said: Since the security forces were merged, the inspection units of that department have inspected 1,085 shops, of which 140 were sealed and locked for repeated violations of the laws, on the basis of the ruling of the Islamic revolution's Public Prosecutor General.

He added: the shops which were locked up after many written warnings were issued to them, were mainly in congested and sensitive areas of Tehran, in particular the streets and squares of Vali-ye 'Ar, Mohseni, Gandhi, the Amir Akram crossing, northern and southern Shiraz, Kuye Nasr, Tehran Pars, Rudaki, and the Safavid Arcade.

The official of the department in charge of inspecting public places in greater Tehran also warned shops with foreign names to change the names of their shops to Persian names. In the event these warnings by the inspectors are ignored their shops will be locked up.

'Slower' Return of Iraqi Refugees Noted

LD0561236 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0930 GMT 5 Jun 91

[Text] Between 250,000 to 300,000 Iraqi refugees who had come to Iran have so far returned to their own country. At present, an additional 900,000 refugees are housed in the camps inside our country.

Interior Minister Nuri-Hoseynabadi who has gone to Hamadan in order to attend the ceremonies marking the anniversary of the demise of is Holiness Imam Khomeyni, may God be satisfied with his deeds, in an interview given to the Central News Unit last night, said that the rate of Iraqi refugees' return to their own country, which accelerated for a couple of weeks, has gradually slowed. This is due to the internal situation in Iraq.

Noting that aid to the Iraqi refugees by foreign countries and international organizations has reached the minimum level during the past two weeks, Mr. Nuri-Hoseynabadi added that the Islamic Republic of Iran is shouldering the major cost of looking after the refugees. It is beyond our country's capability to manage such a large number of people. International organizations and

other countries should definitely continue their assistance. He added that the task of issuing booklets and identity cards to the refugees is in progress.

Report on Dismissal, Arrest of Paveh Officials

NC0606122291 (Clandestine) Voice of Iranian Kordestan in Persian 1730 GMT 5 Jun 91

[Text] A report the Voice of Iranian Kordestan has received indicates that the regime of the Islamic Republic of Iran has dismissed, arrested, or imprisoned a number of its officials in Paveh city in Owraman district on charges of corruption, embezzlement, and bribery. Among the people who have been fired is the deputy commander of the city of Paveh. The deputy district governor, the president of the Chamber of Commerce, the Red Crescent Organization's storekeeper, the vice president of the Chamber of Commerce, the official in charge of cigarette sales in Paveh, and the official in charge of the distribution of foodstuff and fuel have all been arrested and imprisoned.

One of the members of the Chamber of Commerce who was notorious for accepting bribes is under investigation. This person has been fired many times in the past, but each time he returned to his post after bribing officials.

Naturally embezzlement, corruption, and bribery are an ordinary phenomena in the clerical regime. The people of Kordestan see the embezzlements that take place in government offices and in offices that are apparently working for the people's welfare and how the regime's officials overtly rob the people's wealth. The reason the regime's officials were either dismissed or arrested after being involved in embezzlement and bribery for years is that the Paveh deputy in the clerical Majlis did not get his share of the booty and had differences with the officials over the division of the stolen goods revealed these crimes in such a way that it is impossible to hide them anymore, even for the sake of preserving an image.

Even though those mentioned above may, in time, return to their posts by paying bribes, it shows the nature of the clerical regime is the plundering and robbing of the people's wealth. Who does not know that from mullah Rafsanjani to the other big and small mullahs of the government, millions, even billions, of dollars of the people's wealth has been plundered and deposited in Swiss and other European banks? On many occasions foreign newspapers and opposition forces have cited reliable sources and have listed the account numbers of these clerics and the amounts stolen. The robbery continues and the clerics continue to plunder the people's wealth. However, because of their hypocrisy and for demagogic purposes and in order to show the people that they too oppose corruption, embezzlement, and bribery, they have occasionally dismissed an official or two.

But the Iranian people in general and the combatant people of Kordestan in particular are aware of the clerics' ploys and know the essence and nature of the regime well and will undoubtedly not be fooled by such

scenarios because they know that the regime's officials are merely resorting to a sham war.

Oil Slick Endangers Bandar Abbas Power Plant

91AS1053A Tehran KAYHAN INTERNATIONAL in English 22 May 91 p 1

[Text] Bandar Abbas, Hormuzgan Prov., May 21 (IRNA)—The entrance to the pool of the Bandar Abbas power plant has been blocked by floating booms and special nets to protect it against oil slicks approaching this southern Persian Gulf port city, a local official said Tuesday.

"Besides these precautionary measures, special teams are patrolling waters off this southern provincial capital to report on the latest conditions of the oil slicks," he told IRNA.

He said these measures will, to a large degree, prevent the infiltration of contaminated waters into the power plant's pool.

The Ports and Shipping Organization experts are erecting plastic walls around the waterbreaks and entrances to Martyr Bamonar and Martyr Rajaei ports.

The protective measures follow warnings that huge oil slicks encompassing a 60 km square area were nearing the southern Iranian coast lines.

The slicks were first spotted around the Kharg Island a couple of days ago.

Daily Decries Middle East Nations' Plans

NC3151930 Tehran RESALAT in Persian 12 May 91 pp 1, 16

[Editorial: "The Big Blot of Shame for the Arab Countries"]

[Text] The member countries of the Persian Gulf Cooperation Council have decided to participate in the Middle East peace conference as observers.

In other words, they are ready to sit around a table with the Israeli regime and to gradually start negotiations. This will be their first face-to-face discussions on the economic expansion of the region. But the Zionists want to sign separate security agreements with each of their Arab [sentence as received].

Truly a shameful turning point is coming into existence in Arab-Israeli relations.

The last obstacle in the convening of the conference is Syria, which will apparently announce its agreement to participate soon. Under what conditions are the Arab countries accepting direct discussions with Israel?

This acceptance is coming at a time when the Zionists are rapidly continuing the establishment of Jewish towns along the occupied banks of the Jordan River and when

the Israeli prime minister announces that he will never leave the occupied territories.

This acceptance is coming at a time when the usurper Israeli regime is officially violating UN resolutions on its withdrawal from the occupied lands. It comes at a time when, instead of using force to implement the UN resolution, America is giving a gift to the Israeli regime! This gift is nothing more than the drawing up of an agreement similar to that of Camp David between all the Arab countries and Israel.

Syria will probably receive a small concession for a part of the occupied Golan Heights in exchange for the official recognition of a greater Israel.

The Americans want Israel to be the most powerful country in the Middle East. Therefore, they do not want other Middle East countries to possess aggressive weapons and those who have such weapons at their disposal should eliminate them.

In the last phase of its plan, America apparently opened the Soviet Union's way to the Middle East peace discussions in order to be able to downplay Europe's role and to force Syria to participate. However, due to the Soviet Union's weakness, Syria is not in a position to gain considerable concessions and will ultimately establish relations with Israel from a contemptuous position.

Therefore, the outcome of such a conference will be the acceptance of Israeli's superiority and its aggression of regional Arab lands. Of course, the Iraqi regime's role in the acceptance of face-to-face talks between the Arabs and the Israelis cannot be ignored. After his defeat in Kuwait, Saddam accepted all the American requests inside and outside Iraq and officialized America's military occupation of Iraq. America also destroyed Iraq's offensive power. All these led to the weakness of and discord among the Arabs and made them accept peace discussions.

Therefore it is better for the regime occupying Jerusalem to hand over its victory trophy jointly to Bush and Saddam!

Paper on 'Suspicious' Criticism of Government

NC0362114 Tehran JOMHURI-YE ESLAMI in Persian 27 May 91 pp 1, 2

[Editorial: "A Suspicious Act!"]

[Excerpts] In the name of God, the compassionate, the merciful.

Our president's remarks during recent Friday prayers in Tehran were an important warning that merits deep contemplation. He did not say that no one should criticize him or his government.

Everyone has the right to criticize, but one should abide by certain norms when exercising this legitimate right. If this is done, then the critic has fulfilled an obligation and

availed himself of his legitimate right, while the person criticized will also benefit from the constructive, just, and sympathetic views expressed. Mr. Hashemi-Rafsanjani is not a prophet or an immaculate imam; he is not infallible or above reproach. He naturally has great social influence, and a man with his brilliant record of struggle, his power, and his strength of logic can have no fear of criticism and will welcome it if it is constructive, just, and sympathetic. [passage omitted]

It should not be thought that we must fire off some criticism every day. If there is no occasion for criticism, we should not try to muster all our resources to manufacture some so as to retain our place in this bustling marketplace where there are many buyers. [passage omitted]

Foreign radio stations and publications have been disseminating malicious analyses of the situation in the Islamic Republic of Iran for years. It is not difficult to pour these analyses into domestic publications, and this is being done by some that have appeared recently.

Is repeating the fabrications of the enemies of the revolution—whose malice toward Islam and the system of the Islamic Republic of Iran is beyond doubt—a service to the people and the revolution or a service to the "news imperialism," which seeks nothing but to destroy this revolution and this system and to enslave this nation once again?

Similar analyses were disseminated by the same mass media in the time of his eminence the imam. They too were filled with insults and impudence against the officials of the Islamic Republic of Iran and the hallowed person of the imam. If our domestic publications had reproduced them verbatim, would you not have been the first to rise in protest? Judge impartially. Is it revolutionary or Islamic logic that one must spill whatever one has in one's bag (even if it has been concocted by the enemies of the revolution) and print everything verbatim, protesting one's innocence all the while? Where is our mission to combat news imperialism? If we probe beyond the surface, this seems a "suspicious act." [passage omitted]

No one denies that there are shortages, high prices, mistakes, and many other problems today. There is, however, a great difference between working to eliminate shortages and to correct errors and working to undermine the credibility of those who have dedicated themselves to solving the problems of the system and carrying the revolution across the most difficult straits. People understand the difference between these two different approaches, and we can rest assured that there are those who can explain the true nature of things to the people.

Bloodthirsty Saddam is engaged in brutality in Karbala' and al-Najaf, and the United States is busy with provocations in northern and southern Iraq, Kuwait, and the Persian Gulf; reactionary Arabs are preparing to grant official recognition to the despotism of the Zionist regime; the

heads of the powers of world arrogance are dreaming up ways to devour freethinking nations under cover of what they have dubbed the new world order.

At such a time, everyone must assist those who have the responsibility of administering the only Islamic government on the face of this earth, despite all the problems and pitfalls that exist. This is the task the imam bequeathed to this nation. This, and only this, is the way to fulfill the wishes of this noble personage as stated in his will.

Report Shows Birth, Death Trends

LD1460855 Tehran IRNA in English 1721 GMT
13 Jun 91

[Text] Tehran, 13 June, IRNA—The number of births in Iran from the year 1366 (1987-88) to 1369 (1990-91) show a declining trend except for 1367 (1988-89) when the figure increased as compared with the year before, a report published by the daily ETTELA'AT said on Thursday.

Released by the civil status registration organization the report said "18.9 percent less babies were born in 1366 compared to the preceding year. After an increase in the number of births in 1367 the figure again dropped in 1368 and 1369 by 8.15 and 3.17 percent respectively."

In 1365 the report said, 2,259,155 babies were born and 199,511 people died, while in 1369, the number of births fell to 1,728,959 against 217,597 people who died.

During 1369, of the 1,728,959 births, 1,369,936 took place in urban areas and the rest in rural areas.

The rate of marriages registered in 1369 dropped by .082 percent while that of divorce rose by 11.4, as compared with the previous year, the report said.

Marriages registered between 1366 to 1369 stood respectively at 346,674, 361,945, 458,708, and 454,963, while the divorce figures for said four years were 33,433, 33,114, 33,943, and 37,827, it said.

Of 454,963 marriages throughout the country over the afore-said period, 309,438 cases were registered in urban areas and the others in villages.

In 1369, it said, 30,656 couples in urban areas and 7,171 in rural areas got divorced.

The figures indicate that although the number of marriages in rural areas was half of that in urban areas during 1369, the cases of divorce for the rural areas were one-fifth of the urban places.

In the same year, 217,597 people died throughout the country. Iran's population increased by 1,511,362 during the same period.

PAKISTAN

U.S. 'New World Order' Termed Anti-Muslim

91AS0742A Karachi JASARAT in Urdu 16 Mar 91
pp 4-5

[Article by Malik Allah Yar Awan: "America's New World Order: Islamic Community's Unity Needed"]

[Text] After the Iraqi occupation of Kuwait, on every important occasion, President Bush talked about a new world order with great enthusiasm. He blamed President Saddam for becoming a hurdle in this new world order.

Therefore, since oil-rich Middle East has a great importance in this new world order, America has arranged for the permanent presence of its forces in this region. Due to the changes around the world, America's rival has become handicapped by the charity of aid, and America is taking advantage of this situation and is making its presence permanent in this region. For the time being, the European and German unity is under the influence of America. However, like Japan, in the future these countries might not be willing to sell their respect and dignity to America. Hence, America has provided a region for unnecessary NATO forces from where its broad-scope program has already had a successful start.

Under no circumstances would America accept the use of Muslim oil as a weapon against itself; consequently, it wants to take control of oil. This is evident from the priorities given to the American companies in the awarding of contracts for the reconstruction of Kuwait.

America's interest in oil is linked to the control of Japan and Europe. America imports only 15 percent of oil from the Middle East and it has other alternatives available from Nigeria and Argentina. But, America can blackmail Japan and Europe.

The United Nations was used in an extremely awkward way in support of President Bush's new world order and it has become an armed force of the United States. The UN resolution that was used to throw millions of Iraqis into the oven of war was not unanimous. China, a big power, was also against it. In order to avoid the USSR's veto over this resolution, the custodian of the holy places gave four billion dollars to the Soviet Union for its silence. It is the same Soviet Union which slaughtered Afghan Muslims for ten years. The same Soviet Union is getting aid from Saudi Arabia.

The new world order means: passing any resolution through threat and intimidation and without any consensus; if it is in the self-interest, then use all necessary means in whatever fashion and launch an armed aggression against a small country.

If America attacked Iraq because it had occupied Kuwait, then America did the same thing in Grenada. Last year, what did America do in Panama? A head of state of a sovereign country was kidnapped after an

armed aggression and despite its arguments, America has not been able to bring him to trial. Besides, there is the issue of Palestine. The world is facing 24 resolutions which escaped the American veto. The so-called champion of human rights, which calls itself the policeman of the world, cannot even enforce these resolutions after the murder of unarmed Palestinians.

America's new world order is a job security for a quarter of its manpower which is around the clock busy manufacturing weapons of mass destruction in ordinance factories. It is a sort of slavery for the poor underdeveloped countries of the Third World. In the new world order, it is important to destroy Iraq and remove Saddam Husayn. It will deceive the Iraqi people and will try to establish a Camp David style pact in the name of lasting peace.

In the presence of allied forces, the Middle Eastern and especially Arab leaders have the same importance that rajas and nawabs [wealthy rulers] had in territories occupied by the British. The new world order started with the destruction of Iraq and its next objective is to slowly sabotage the Islamic laws in Saudi Arabia. In thinly disguised words, Americans are expressing their strong opposition to these laws.

Although American soldiers, victimized by sexual perversion, have been caught in un-Islamic activities on the clean land of Saudi Arabia, they were released under intense pressure. Americans are afraid that the Saudi Government might impose an Islamic punishment on one of their men and are therefore continuously categorizing the Islamic laws as harsh.

Upon examining the initial expenses of the new world order, an interesting situation surfaces. America cleverly used someone else's land and wealth and took several advantages. The Arab countries played an important role in making the success of allied forces easier in the Gulf war. If aircraft carriers were not allowed to pass through the Suez Canal and Arab land were not provided for the air and land war, then allies would not have achieved such a success against Iraq. The current war proved that without creating divisions among the Islamic countries, America would not have been successful in this war. The 41-day Gulf war cost the allies \$50 billion.

According to allies' announcements, 141,921 tons of bombs were dropped. Everyday, 250,000 gallons of petrol was used which is in addition to 800,000 gallons used during the four day land war. In this so-called new world order, America used media in an extremely poor fashion. A war hysteria was created in people and they were made dependent upon CNN and other broadcasting institutions, and preplanned information was fed to them. In spite of being a champion of free media, in its propaganda war, America censored war coverage. The Western media which protested censor restrictions imposed during the government of General Zia-ul-Haq shahid [martyr] remained silent on media restrictions and the pentagon's evasiveness in their country.

American civilians are safe from war. Only Muslims were unsafe; the ones who died and the ones who killed. America is optimistic about this new economic and world order [as published] about which President Bush said that "if all countries of the world did not accept this new order, then there would be serious consequences." Actually, American leadership is trying to bring the whole world under the control of its political, imperialist, economic, and social system. In order to maintain their political and economic system, America and the West will continue to destroy the political and economic system of the Third World countries.

Currently, all Western institutions such as the IMF and World Bank are under the American control. These institutions have made the Third World countries slave through loans. These Nations lose their freedom because these loans cannot be paid back due to increasing interest payments. The political system in the majority of the Third World is extremely weak and it is hopeless to expect any coordinated economic revolution from this system. In spite of this disorganized socioeconomic system, even if the Third World countries try to take steps towards development, their feet are tied to the burden of huge debts. President Bush's new world order does not have any idea for the welfare of this poor, unemployed and disease-ridden world. Instead, it is a vision for generation-after-generation of slavery. In fact, this new world order is an advanced imperialist order. In this order, President Bush's strategy is linked to the establishment of a supreme system by the multinational corporations. Construction companies will be awarded contracts in the Middle East which will be under American control.

It is imperative to bring changes in the political system of the Islamic countries. According to an American law, any country with a martial law will not get any aid. This is designed to control the armed forces of the Third World countries. In this system, the importance of a country like ours is limited to the control of law and order situation. Everything else is at American will. In this new order, pressure will be placed to reduce the expenditures of the Pakistani army and terminate the nuclear program. The gifts from the new order such as narcotics, guns, robberies, murder, and fornication will become common place because these are directly linked with the capitalist system.

Israel will be given the role of a policeman in the Middle East and through the presence of NATO forces, it will establish a sort of martial law in the Middle East. The development of the American war industry is the cornerstone of this new order. Since nuclear bombs and nuclear weapons cannot be developed anymore, therefore, small weapons will be promoted and according to a pre-conceived plan, wars will be started between countries for their consumption. There is only one way to avoid this new international imperialist system and that is, just like Europe, the unity among the Islamic countries. In fact, America cannot operate this new world order in the face of a united Europe and a united Islamic world.

Rather, even if an international government is created, Muslims will be considered respectable and equal partners in it.

Islam taught the lesson of greatness and internationalism. After resolving our differences, a united opinion of a united Islamic world will have an effect on the world. If that happens, then any world order like this would turn to be a crazy's boast and no one would be able to do anything against us.

U.S. President Urged To Approve Aid

91AS0815B Lahore NAWA-I-WAQT in Urdu
27 Mar 91 p 3

[Editorial: "President Bush's Certificate"]

[Text] President Bush has issued a certificate to the U.S. Congress stating that the 1990 general elections in Pakistan were independent, impartial and fair. The recent Pakistani elections, after which the Islamic Democratic Alliance's government came to power, were fair in the eyes of the people and foreign observers.

PDA [People's Democratic Alliance], an assayer in these elections, accepted the results of elections by participating in the provincial elections and attending the assemblies. However, it continued its verbal propaganda against these elections. They were shocked by President Bush's certificate, therefore, Benazir Bhutto and Asghar Khan have protested to President Bush. At some point, these circles will have to accept reality.

The Pakistani nation cannot be satisfied by President Bush's certificate because it was not looking for President Bush's certificate concerning the elections. However, it was waiting for President Bush's certificate insofar as military and economic assistance is concerned. So far, President Bush has disappointed us by not issuing this certificate.

In a message on the Pakistani day, President Bush talked about his and the American people's friendship with Prime Minister Nawaz Sharif and the Pakistani nation. However, without fulfilling the obligations of friendship, such talk is useless. Pakistan needs nuclear energy for its industrial, agricultural, and chemical sectors. But America is continuously opposing our peaceful nuclear program, which is the reason we are facing difficulties.

Due to American opposition, not only military and economic assistance has been suspended, it is also having an effect on other sectors. The friendship demands that President Bush issue a certificate to Congress certifying that Pakistan's nuclear program is for peaceful purposes so that military and economic assistance to Pakistan can be restored.

Sindh: Political Chaos Remains Unresolved

91AS0815A Lahore NAWA-I-WAQT (Supplement)
in Urdu 23 Mar 91 p 2

[Article by Niar Alwi: "A New Front Is About To Open"]

[Text] The political circles in Sindh have been studying the activities of the National Economic Commission and Council of Common Interests and their decisions with a great deal of interest. After the change in government, these two institutions, which were established under the 1973 Constitution, held their respective meetings. Despite the demands by the provinces, this constitutional obligation was not fulfilled under the People's Party government. Even the government of the People's Party in Frontier [North West Frontier Province] had demanded that these institutions should hold meetings. Mian Nawaz Sharif, the chief minister of Punjab in those days, was in the forefront of this move concerning the holding of meetings by the National Economic Commission and Council of Common Interests. Since becoming the prime minister, he has strengthen these institutions. By doing so, he has proved that he still stands firm on positions that he had when his party was in the opposition in the national assembly. In light of Pakistani political parties' behavior in the past, Mian Nawaz Sharif's attitude is refreshing news. Since coming to power, he has not changed his policies. His policies as prime minister are the same as his policies when he was the chief minister of the province.

Sindh is Pakistan's second largest province. In terms of income, it has the largest share. Both industrial and agricultural sectors are dynamic in Sindh. Sindh does not lag behind anyone in terms of foreign exchange revenues earned through trade. Along with manufactured goods, a huge quantity of cotton is exported to other countries. The City of Karachi alone is the largest source of revenue in the form of custom duties, excise tax, sales tax, and income tax. In the last few years, Sindh has increased national earnings through oil. But, the Province of Sindh and its capital Karachi have always complained that they do not receive a proper share from the federal earnings. One of the complaints has been that the water from Sindh basin is not being distributed fairly due to the fact that the agriculture land in Sindh has suffered and its productivity has decreased. These complaints and problems have kept on increasing. But, in the last 12 or 13 years, the representative and constitutional institutions, where these complaints and problems could have been resolved, remained impotent. General Zia-ul-Haq's period was marked by martial law and limited democracy under the army. Although, Sindh was the People's Party province and it had received a significant majority there, the People's Party did not pay any attention to it during its democratic period. Consequently, on the one hand, the problems of cities and villages in Sindh kept on growing and, on the other hand, different organizations were founded on the basis of race and nationality. These organizations tried to portray the problems of the people of the province with new and different slogans. The

current disorganization, lack of peace, and poor situation in Sindh is the result of the work of previous governments.

The courageous steps taken by the current federal and provincial governments to solve these complicated problems are welcome news. First of all, the chief minister of Sindh, Jam Sadiq, invited the chief ministers of Punjab, NWFP and Baluchistan to Karachi. They held talks in a pleasant atmosphere and expressed agreement on several interprovincial issues. Jam Sadiq Ali, Ghulam Haider Wiyan, Mir Afzal Khan, and Sartaj Aziz Muhammad Jamali decided that: coordinated steps should be taken to curb drugs and arms smuggling; there should not be any restriction on interprovince trade; and the tribes should be given more representation in the federal departments. They also agreed that the Center should consult provinces on formulating laws concerning the latter. An important decision made by them was that the provinces will cooperate to improve the law and order situation. The extent of goodwill among the chief ministers could be felt from the fact that they did not discuss the question of Kala Bagh dam. They agreed that river water should be distributed fairly. The chief ministers conference, hosted by Jam Sadiq Ali, was held in a pleasant atmosphere and did not raise any new issues. It ended in a satisfactory manner. Undoubtedly, it paved the way for the meetings of Council of Common Interests and National Economic Commission. Due to this friendly environment, during National Economic Commission's meetings, finance ministers from three smaller provinces expressed satisfaction on the presentation of their respective demands. The Punjab's finance minister, without negating anyone, decided to postpone his stand until the next session. The federal finance minister assured that, most of the other issues will be resolved by reaching a consensus in the National Economic Commission's meeting before the next annual budget. From the national budget, Sindh has asked for its share based on its resources and income; Baluchistan asked for its share based on its area; and NWFP asked for its share based on its underdeveloped status. It is quite satisfactory to know that the Center and Punjab listened to these provinces demands with empathy and, to a large extent, agreed to fulfill them. During the meeting of the Council of Common Interests, there was progress in terms of goodwill and an understanding was reached among the chief ministers.

In Karachi, Jam Sadiq Ali's reception, honoring four chief ministers, was exemplary. Jam Sadiq Ali is a good host. He is very generous. In the last few months, his parties have become more glamorous. In addition to colorful balloons and bright lights, Sindhi folk music has been added. The guest list was long and impressive. Pir Pagara and Senator Makhdoom Khaliqul Zaman were present. An old friend Maulana Kossar Niazi was seen there. Pir Pagara had predicted a double-march in March [as published]. In this party, Pir Pagara also talked about house-cleaning towards the end of this year.

The next day, Pir Pagara invited the four chief ministers to his house. He must have also taught his guests the tricks to avoid this house-cleaning. The chief ministers had the chance to meet the leader of Mohajir Quami Movement in the provincial capital. They were shown a video film of Altaf Hussein's speech which has been a subject of discussion lately. Mr. Ghulam Haider Wiyan, a confidant of Prime Minister Nawaz Sharif, supported the stand of MQM's [Mohajir Quami Movement] leader. The story should have ended here, but it did not. Another front is about to open in the province's politics. After the National Assembly, the People's Party is getting ready to boycott the session of Sindh assembly. But, Karachi's [political] climate is different from Islamabad. The chief minister is ready to meet this challenge. After the senate's elections, the People's Party failed to bring all of its members of the assembly out of the session. By and large, it is expected that the People's Party will be unsuccessful in keeping most of its members from the session during the boycott of the provincial assembly.

1991-92 Budget Summarized, Reviewed

Budget Package Highlighted

91AS1056A Karachi DAWN in English 31 May 91 p 1

[Article by M. Ziauddin]

[Text] Islamabad, 30 May—A Rs.[rupees]258.3 billion 1991-92 Budget loaded with incentives for the private sector and reflecting inflationary trends was announced here on Thursday by the Federal Finance Minister, senator Sartaj Aziz.

Showing a record gap of Rs. 90 billion in the income and expenditure, the Finance Minister told a hushed National Assembly that he proposed to bridge the gap with additional tax burden of over Rs. 18 billion and borrowing of Rs. 72 billion (Rs. 24 billion internal and Rs. 48 billion external).

The Minister announced a Rs. 3 billion package of breaks for the poor and the needy including downward revision of wheat flour, pulses and vegetable ghee prices.

To finance this package, the Federal Finance Minister proposed setting up of a Baitul Maal as envisaged in the recently-passed Shariat Bill by imposing a tax of 1 percent on all bank loans excepting those of small amounts, unrecoverable loans and loans provided for investment.

The Baitul Maal will also be financed through a one-time tax on big industrial houses and business establishment.

The Baitul Maal will provide welfare services to the poor, orphans, widows and the deserving. Regular stipend will be provided from this fund to such persons, and those aged above 65, as have no other source of income.

The proposed increase in the salaries of the Government employees is expected to cost the exchequer about Rs. 6 billion.

The Federal Finance Minister also announced reduction in the highest tax rates from 45 percent to 35 percent and increased the lowest tax slab from Rs. 24,000 to Rs. 30,000.

The new rates will apply from 1 July 1991 for the salaried taxpayers and for others it will come in force from July 1992.

Also, the exemption from tax allowed to capital gains has been extended for another two years.

The additional tax burden of Rs. 18 billion includes about Rs. 14 billion from changes brought about in the income-tax, sales tax, excise duties and customs duties, and Rs. 4 billion accruing from the profits of Pakistan Telephone Corporation following the enhancement of all charges by 25 percent (internal) and 20 percent (external).

The overall size of the budget for the next year at Rs. 258.3 billion is about 10.1 percent higher than the revised budget of the current year which, if adjusted to the 13 percent rate of inflation, shows that the outlay for 1991-92 has actually decreased.

Defence, debt-servicing, grants, unallocable and subsidies account for Rs. 164.55 billion, constituting 88.6 percent of the current expenditure of Rs. 185.64 billion.

The remaining 11.4 percent of Rs. 21.09 billion is on other functions relating to running the civil government, that is general administration, law and order, social services, community services and economic service.

The share of current expenditure in the total budgetary outlay will be 71.9 percent in 1991-92 which is 8.2 percent more than the revised budget for 1990-91.

Expenditure on defence has increased to Rs. 70.95 billion or by 11.6 percent over the revised estimates which again means some shrinkage in the actual outlay if adjusted to 13 percent rate of inflation for the year.

1991-92 will be the first year of implementation of NFC [National Finance Commission] award transfer of resources to the provinces as their share in divisible taxes has therefore, increased substantially.

The provinces will receive Rs. 59.16 billion during the next year which will be higher by Rs. 25.37 billion or 75 percent than the current year's revised estimates.

Due to implementation of the NFC award, the amount of divisible pool along with special grants subvention the provincial the provincial transfers amount to Rs. 61.32

billion, this calculator does not include electricity profits payable by WAPDA [Water and Power Development Authority].

There is no provision for non-obligatory grants for the provinces in the 1991-92 budget.

Debt servicing for the year at Rs. 80.71 billion includes Rs. 46.90 billion in interest on domestic debt, Rs. 15.46 interest on foreign debt and Rs. 18.34 billion in repayment of foreign loans.

The increase in domestic debt servicing in 1991-92 is mainly on account of a change in the rate of return on the ad hoc treasury bills held by the State Bank.

Previously the rate of return on these instruments was 0.5 percent. These are now estimated at approximately 10 percent in 1991-92. There was also a significant saving in the revised estimates, hence the difference between the revised estimates and budget estimates for 1991-92 appears larger.

Highlights

Islamabad, 30 May: The following are the highlights of the budget for 1991-92 announced on Thursday by Federal Finance Minister Sartaj Aziz:

- Improvement in taxation system has three basic elements: not taxing those who deserve exemption, simplification of taxation system, and facilities for taxpayers and simplification of tax imposition procedure.
- Government, mindful of high income tax rates, has reduced tax for individuals from 45 percent to 35 percent of taxable income while for registered firms, reduced from 35 percent to 25 percent.
- Basic exemption, in certain cases, raised from Rs. 24,000 to 30,000.
- New tax rates to be effective on the income in 1991-92, but for salaried class from 1 July 1991.
- All educational institutions to be set up during 1 July 1991, to 30 June, 1995, would be tax-free for five years.
- Tax exemption on capital gain, ending 30 June, extended for two years.
- Pensioners of private sector also exempted from tax.
- Income of a company's director raised to Rs. 30,000 from 20,000, or 40 percent of the total company income.
- Limit of welfare donations raised for public companies from 5 percent to 10 percent of total income, for private companies from 7.5 percent to 10 percent and 25 percent in other cases.
- Tax exemption on export of ceramic tiles and ceramic ware raised from 50 to 75 percent.
- Duty rates reduced on 1,321 items from the highest slab of 95 percent to 90 percent, duty on 161 items from 95 percent to 80 percent.
- Ambulances and hospital equipment to be exempted from customs duty and sales tax.
- Deep freezers for blood banks to be exempt from customs duty.

- Duty on computer parts reduced to 20 percent from 40 percent, while software totally exempted from customs duty.
- Newspapers to be provided newsprint according to their needs without paying duty.
- Withdrawal of 1 percent tax on insurance premium imposed in 1989-90.

Net capital receipts in the budget have been estimated at Rs. 24.01 billion showing a decline of 7.1 percent over the revised estimates of Rs. 25.86 billion in 1990-91.

The gross receipts are projected to increase by 52.2 percent from Rs. 44.78 billion in the revised estimates to Rs. 68.14 billion in the 1991-92 budget disbursements are projected to increase by 133.3 percent, the major increase has been in the repayment of bonds.

Federal Budget 1991-92
Budget at a Glance for the Year 1991-92

	1991-92 Budget		1991-92 Budget*
1.	REVENUE	CAPITAL	
	A) Tax Revenue	A) Internal Resources (1+2)	
	Taxes on Income and Wealth (Direct Taxes)	1. Federal Government	(+)6096.4
	Taxes on Commodities and Transactions (Indirect Taxes)	(i) Revenue Surplus	(-)32260.2
	B) Non Tax Revenue	(ii) Net Capital Receipts (a-b)	24017.6
	Income from Property & Enterprises	(a) Capital Receipts	(68147.9)
	Receipts from Civil Administration and other Functions	(b) Capital Disbursement	(44130.3)
	C) Surcharges	2. Self-financing by Autonomous Bodies	14339.0
	Natural Gas	B) External Resources	48036.9
	Petroleum	(i) Project Aid	25710.2
	D) Total Gross Revenue Receipts	(ii) Non Project Aid	22326.7
	(A+B+C)	Total (A+B)	54133.3
	Less: Provincial share in taxes	C) Development Expenditure (PSDP)	72660.0
	E) Net Federal Revenue(1)	(i) Federal Government (a+b)	56861.0
2.	CURRENT EXPENDITURE	(a) Departments	21359.0
	General Administration	(b) Autonomous Bodies	35502.0
	Defence	(ii) Provincial ADPs ²	15799.0
	Law and Order	Punjab	7492.0
	Community Services	Sindh	3407.0
	Social Services	NWFP ³	3143.0
	Economic Services	Balochistan	1757.0
	Subsidies		
	Debt Servicing		
	Grants to AJK ¹ , Railways & Others		
	Unallocate		
		Total (i+ii)	72660.0
3.	FEDERAL REVENUE ACCOUNT DEFICIT (1-2)		
4.	SURPLUS AVAILABLE FOR DEVELOPMENT EXPENDITURE	GAP (A+B)-(C)	18526.7

*(Rs. in millions)

1. [expansion not given]

2. annual development program

3. [North-West Frontier Province]

New Taxes Included

91AS1056B Karachi DAWN in English 31 May 91 pp 1, 10

[Article by Shaheen Sehbai]

[Text] Islamabad, 30 May: The first budget by the IJI [Islamic Democratic Alliance] Government on Thursday proposed additional taxation of Rs.[rupees]18.5 billion and Finance Minister Sartaj Aziz did not explain how the remaining gap would be filled.

In a confusing second part of his budget speech, Aziz said a further Rs. 9 billion would be needed to provide salary increase to government servants costing Rs. 6 billion, and subsidy to atta and ghee prices costing Rs. 3 billion.

But he announced setting up of a Baitul Maal which would not only meet the Rs. 3 billion cost of the price subsidy but would perform many other social functions—the main income coming from a sweeping 1 percent tax on all bank loans, excluding investment and agriculture borrowing.

The Finance Minister said, of the Rs. 14 billion to be raised, Rs. 8 billion would come from improvement in tax collection and Rs. 4 billion from widening the tax base—a fixed tax on all shopkeepers and business establishments.

The increase that would apparently be unpopular with the public is a 25 paise raise in telephone calls, the extra 1 percent on loans which would also include all house-building loans, besides the overall

inflation caused by heavy deficit financing.

The Baitul Maal would also tax the business community to the extent of half a million on all companies with a paid-up capital of Rs. 50 million, a Rs. 10 million tax on companies of Rs. 100 million equity and Rs. 2.5 million for companies with Rs. 250 million equity or more. This, would, however, be a one time contribution to the Baitul Maal.

The Finance Minister announced wide-ranging reliefs for the business community and raised the export duty on yarn by Rs. 3 per kg.—much less than the ancillary sector had been demanding in view of the huge exports of yarn that were creating shortages for the local industry.

He proposed a capacity tax for all industrial units to replace the present excise duty but the idea was not pressed firmly and was left to two high-powered committees to thrash out, an opening for the private sector to shoot it down if it threatens their profits.

The income tax relief has been provided to the business class in a number of ways—the tax rate was cut from 35 percent to 25 percent for registered firms and from 45 percent to 35 percent for individuals. The corporate sector tax ceiling of 55 percent was, however, not touched.

The exemption limit of Rs. 24,000 was also increased in some cases by Rs. 30,000 while limit of a director, pay in a company has been raised from Rs. 20,000 to Rs. 30,000 or 30 percent to 40 percent of the income tax of the company.

Explaining the proposed fixed tax on business establishments and shopkeepers, Sartaj Aziz said a scheme was on the anvil which would provide them an opportunity to voluntarily pay the tax fixed and not submit a tax return. The scheme would be launched in municipal corporations, municipal committees and cantonments and the rate of tax would be different for different areas.

To expand the tax base, Sartaj Aziz said, all those companies who either pay a very meagre tax or do not pay any tax at all, would have to pay 0.5 percent of their total turnover as a new tax. He did not specify what would be the size of the revenue generated from this new source.

The increased duty on yarn exports would yield Rs. 1.36 billion but all letters of credit opened till 29 May would be protected—a provision which the ancillary sector says provides a big loophole for the textile spinners to continue evading the new duty.

Explaining the price reliefs to be provided through the utility stores, Sartaj Aziz named three commodities, atta, ghee and gram pulse, which would be subsidised costing the exchequer a total of Rs. 3 billion.

This subsidy, he said, would be met from the Baitul Maal.

Sartaj Aziz also promised early implementation of the recommendations of the National Pay Committee to improve the conditions of the low-paid employees. He said the Government was examining the proposals of the committee regarding pay and pension of government employees and assured that these will be announced before the end of next month and estimated that this will entail an expenditure of six billion rupees.

The exemption from income tax on pension now enjoyed by government employees is being extended to all pensioners of non-government sector. The limit on educational and welfare donations is being increased from 5 to 10 percent for public companies and from 7-1/2 to 10 percent for private companies. In all other cases, it will be 25 percent.

The Finance Minister disclosed that most of the additional revenue in the budget was proposed to be generated from improvement in the system.

In case of central excise, Sartaj Aziz said, the Government wanted gradually to adopt a system whereby capacity for production is made the basis of assessment rather than production itself. Every effort will be made to fix capacity through mutual consultation and agreement. Two high powered committees are being formed to accomplish this and a few big industries are proposed to be brought under the system to start with.

In case of the exemption limit of up to ten thousand rupees for income tax on contractors is being abolished.

It is proposed to deduct 10 percent as tax on income from deposits in banks, companies, financial cooperative societies or from securities issued by these institutions. However, profit from government saving schemes, foreign exchange, bearer certificates, foreign currency accounts and dollars accounts will be exempt from this deduction.

The assessment system in the Customs Department is being reexamined and a booklet to be published soon giving import prices of different items. It will be reviewed every three months facilitating assessment of customs duty.

Discretionary powers for assessment in cases exceeding five lakh rupees income are proposed to be given to assistant commissioners instead of ITOs [Income Tax Officers].

Ambulances and hospital equipments is being exempted from customs duty and sales tax. This would apply to hospitals having twenty or more beds.

Import duty on computer parts is being reduced from 40 percent while computer software would be exempt completely from customs duty.

It has been decided to withdraw the existing Rs. 1500 per tonne duty on news print. The newspapers would be provided news print without duty according to their requirements.

The reforms in taxation system are aimed at minimising the element of discretion, providing a clear procedure and quicker disposal of cases along with simplification of procedures.

Finance Minister Speech

91AS1056C Karachi DAWN in English 31 May 91 p 10

[Text] Islamabad, 30 May—The following is the text of the Budget speech made by Finance Minister Sartaj Aziz in the National Assembly on Thursday.

Mr. Speaker,

It is my proud privilege to present before this August House the first Federal Budget of the Government of the Islami Jamhoori Ittehad [IJI].

In many respects the current financial year is of great significance:

- General elections were held during the current financial year and the IJI government assumed its responsibilities under the leadership of Prime Minister, Mr. Muhammad Nawaz Sharif, after obtaining a massive mandate from the people;
- The Gulf crisis and war erupted which had a deep impact on our economy;
- In the light of its manifesto, the new government

framed its programme for economic and social reforms and national development and started a vigorous implementation action;

- Issues such as sharing of Indus Water and distribution of revenues between the Federation and the Provinces, which had been pending for decades, were solved amicably by consensus; and
- Shariat Bill was introduced in this House with a view to enforcing complete Islamic system in the country. Also significant steps were taken to establish Islamic Welfare Society. This Bill has been passed by both the houses.

Impact of Gulf Crisis

The Government of the Islamic Jamhoori Ittehad assumed responsibilities at a time when the Gulf crisis was at its peak. The regional security and political situation was alarming and world economy was in disarray. This had a negative impact on Pakistan's economy. The rise in the prices of oil and oil products and constraints in their supply compelled us to spend more foreign exchange. Our exports and remittances from Pakistani workers from the Gulf region were adversely affected. In addition, government had to bear the financial burden of evacuating 85,000 Pakistanis. This resulted in an overall additional burden of 700 million dollars on the balance of payments and also affected the budget adversely.

It is by the grace of Allah that in spite of the serious economic crisis we have been able to manage the economy on proper lines. The growth in Gross Domestic Product increased from 4.6 percent in 1989-90 to 5.6 percent in 1990-91. The agricultural production increased by 5.1 percent as against 2.7 percent last year and manufacturing continued to grow at the last year's rate of 5.7 percent. A record production of 9.6 million bales of cotton and 15.1 million tonnes of wheat is expected to be achieved during the year. An increase of 15 percent has been achieved in the production of cotton yarn. A significant feature of the current financial year is the performance of exports. During the ten months period, that is, from July, 1990 to April, 1991 exports showed substantial growth of 22 percent.

Consequently in May 1991 our foreign exchange reserves exceeded 500 million dollars. In December last year these were 100 million dollars only and in May 1990 these reserves stood at 390 million dollars.

Due to increase in oil prices, the stability in prices could not be maintained. However, with a view to providing relief to the people, the Government took prompt action by reduction and waiver of import duties on essential commodities and supply of a number of essential food items at a price cheaper than the market price through Utility Stores distribution network. The inflation for the year is estimated between 12 percent and 13 percent. As a result of sound demand and supply management measures already taken, the inflation rate is expected to decline in the next year. The most effective way to

maintain stability in prices is to reduce the budget deficit, which is a focal objective of this budget.

Manifesto and reforms

The people have voted us in on the basis of the programme contained in our manifesto. It is, therefore, our foremost duty to implement these promises with speed. Despite Gulf crisis we have embarked on a comprehensive programme of economic and social reforms with far reaching consequences.

The basic objectives of the large number of measures enumerated in our manifesto are the following:

- a) To accelerate the pace of economic development in order to double country's national income within this decade;
- b) To create a just society which ensures economic and social justice to all and lessens disparity between urban and rural areas and between more developed and less developed areas;
- c) To guarantee the right of food, shelter, clothing, education, health and gainful employment to every citizen; and
- d) To eradicate poverty, backwardness and exploitation from all sections of the society.

In the speedy implementation of these objectives we are faced with a number of complex and age old constraints.

Most of the investments in the past 10 years were financed from borrowing, creating a massive burden of domestic and foreign debt of Rs. 900 billion, which simply cannot be sustained. Because of these financial constraints, it has not been possible to maintain and expand any physical infrastructure at the required rate and the shortage of electricity, gas and transport is becoming a major bottleneck for investment and growth. More seriously, the required improvements in social sectors like education, health and in human resource have been totally inadequate. The public sector, instead of shrinking in the face of a difficult resource position has been expanding and the degree of over regulation has increased.

These shortcomings cannot be tackled through fundamental reforms in the entire socio-economic system.

I want to make it clear that in present context, our own experts and world economists have agreed that our economic and financial systems need a revolutionary change. We have analyzed the situation in the light of our special circumstances, economic needs and experience and failings of previous governments. In the light of this analysis we have decided to privatize and deregulate the economy which is in complete harmony with the reformist plans being undertaken all over the world to improve their economies.

This policy will motivate all individuals and groups in Pakistan towards action and practical participation. To implement it we shall have to keep the following guidelines in mind:

- Creating an atmosphere of mutual trust and cooperation so that the government and the private sector together may accelerate the tempo of development;
- Making individual and group interests subservient to collective and national interest; and
- Fulfilling demands of social justice so that the benefits of economic development reach all parts/segments of society.

Keeping these principles in view, we have undertaken some basic reforms so that the pace of investment and development is accelerated and the constraints and shortcomings to which I have referred just now may be removed.

The first step towards these reforms was taken in December, 1990, through an active privatization policy, to reduce the size and activities of the public sector to enable the government to concentrate on its essential responsibilities and to reduce its continuing drain on the budget. This requires speedy privatization of various public sector industries because, on the whole these have been earning negative return. Many industrial units have been closed for years but government is still paying salaries to the employees.

A second element of this strategy was deregulation, to create a dynamic, efficient and internationally competitive economy that does not move on the crutches of foreign loans.

In order to promote investment and generate more savings, we have totally de-regulated investment. No approval is needed for domestic or foreign investment. In December, 1990 the Prime Minister announced a package of incentives for rapid industrialization. We have created an environment in which foreign resources will come as investments rather than loans. We have introduced far-reaching exchange and payments reforms on 7th of February, 1991.

Barriers against foreign exchange flows in and outside the country have been demolished. Foreign investment has been permitted in existing companies through purchase of shares. We have enhanced the access of foreign enterprise to domestic credit.

We have liberalized the trade regime. Import licensing system has been dispensed with. Pakistanis have been allowed to maintain foreign currency accounts. There is no restriction on bringing or holding foreign currency.

The purpose of deregulating industrial sector cannot be fully achieved if the industrialists have to obtain loans only from the government financial institutions.

Therefore, we quickly proceeded with privatization of nationalized banks and opened up the financial sectors to private sector, so that commercial banks can also be

opened in the private sector. Adhering to the principles on which privatization process is based and which stand published, all efforts have been directed towards making the ownership broad based and the entire process of privatization just and transparent.

We have also dismantled the monopoly of the public sector in the areas of power generation, telephones, roads, airlines, shipping and port operations and created conditions which will provide great investment opportunities to the public sector.

Amongst the steps taken by the government for national development during the first six months, the historic accord of water distribution is of special importance. This was a dispute outstanding for the last 70 years. As a consequence scarce water resource could not be fully developed and utilized to boost agriculture. Now a number of new irrigation projects shall be undertaken with urgency so that the pace of agricultural development is speeded up. Similarly, the Government resolved the 15 year old impasse on the distribution of divisible Federal Taxes and finalized the award of the National Finance Commission.

Social responsibilities

In line with its manifesto, the Government is fully conscious of its social responsibilities. However, every Muslim will also have to take care of the obligations ordained by the Holy Quran. There are repeated and clear directions in the Holy Quran which forbid concentration of wealth and order imparting justice to the right of the poor in the national wealth. We have been guided by these very principles in

formulating our economic policies. The policy of privatization and deregulation will definitely help to accelerate the pace of investment and growth in the economy.

At the same time it is obligatory upon the private sector that it should fulfil its duties in the matter of its labour for wages and areas in respect of education, health and other facilities in the light of

Quranic injunctions. It is for this reason that rules are being framed that industrialist should, within three years, start of production, provide these facilities to their workers and areas.

In the light of these principles, three important objectives of our reforms and economic policies are (i) alleviation of poverty; (ii) expansion of employment opportunities and (iii) development of the nation's human resources.

Agriculture policy

Since a large proportion of poor people live in rural areas, accelerating the pace of agricultural and rural development will hold the key to helping these people to improve their living standards. Farmers face a series of constraints. Some of the constraints such as shortage of

water can be removed for example, by providing additional irrigation facilities. But technological constraints are more serious because for adopting new technology, we need improved seed, fertilizer, insecticides and agricultural machinery. These increase the cost of production to such an extent that farmers, specially small farmers cannot afford it. Loans are also not available easily. On harvesting, every farmer does not get a suitable price which can cover the expenditure.

Under the new agricultural policy announced recently, a new Agricultural Productivity Enhancement Programme is being launched at a cost of Rs. 1 billion so that maximum number of farmers may reap the benefits of technology available in the country. A number of other incentives of agriculture have been granted. These include, fiscal incentives, providing concessions on import duties and surcharges on a variety of agricultural implements and equipment, agro-processing industries and livestock and related activities.

The system of granting loans shall be improved and efforts shall also be made to reform agriculture marketing in such a way that the farmer gets suitable price for his produce. Income tax holiday for eight years has been provided to fish and poultry farms. The ceiling on production loans to small farmers has been raised from Rs. 1,200 to Rs. 1,600 per acre.

Rural development

For agriculture development, it is essential that rural areas are provided with roads, electricity, education, health and other amenities. Along with agriculture development, the process of rural uplift is being accelerated to ensure network of roads, electrification of every village, and provision of education and health facilities to the entire rural population.

The Tameer-e-Watan Programme will be launched from the next financial year. It will be implemented by the Provincial Governments through District Committees. These District Committees will comprise elected members. An additional provision of Rs. 1600 million is being made for the Tameer-e-Watan Programme in the next budget.

A similar amount will be provided by the Provincial Government for this programme. In the rural areas there are many indigent families who are homeless. We should be extending the 7 Marlas and 3 Marlas schemes so that the families of orphans and widows may construct homes for themselves.

Less developed areas

Along with the programmes mentioned above for rural transformation, there is a need for special attention to the least developed communities. For this purpose, a Fund for the uplift of the deprived communities is being established. The Fund will be financed from the proceeds of privatization. For this purpose, target areas will be identified at the community level i.e., village,

mohallah and urban slums to undertake the following activities through their own organization;

(i) Population, nutrition and health;

(ii) Primary and middle education; and;

(iii) Community infrastructure. For each community a Community Development Organization with grassroot representatives of the community will be created as non-governmental organizations.

It will be responsible for identifying the community needs and securing allocations from the proposed Fund. It will take steps to increase the enrolment of children and to provide funding for community infrastructure projects. Matching grant will be made from the proposed Fund to promote these activities. This programme will not only provide employment to the youths but also enable them to serve their regions.

Pakistan is confronted by a serious environmental crisis today. Our health is being impaired by polluted water and polluted air; our lands are being degraded because of irresponsible husbandry; our forests are disappearing due to neglect and misuse; we are poisoning the fish and the fowl. The Government is in the process of putting together a National Conservation Strategy to respond to these problems.

We shall provide clean water and clean air to citizens of this country; protect biodiversity by establishing good husbandry practices, supporting afforestation programmes, and natural resource; and parks; promote rational use of energy and natural resources; and reduce the rate of population growth. Apart from the population welfare programmes for which Rs. 60 crore has been provided, a short-term programme costing Rs. 15 crore has been drawn up for environmental protection. This is only the first step.

Human resources

The main pillar of our social programmes is the development of human resources. The ultimate purpose of all development efforts is to enable the members of a society to lead a long and health life, to have a decent education and to have the minimum necessary resources to meet their essential needs.

It is very sad to observe that the progress in the field of human development has been totally inadequate.

Massive Borrowing

91AS1056D Karachi DAWN (Supplement) in English
7 Jun 91 pp I, IV

[Article by M. Ziauddin]

[Text] The new budget has been financed with massive borrowing and that too from banking sources. Therefore, it is surely going to be highly inflationary, whatever the official economic managers say to the contrary.

The attempt to narrow the wide gap of Rs. 94 billion by tax efforts to the extent of Rs. 18 billion too is likely to fuel the inflationary fires as most of the additional resources are projected to come from indirect taxes, notwithstanding the official claims that attempts were made to reduce the share of indirect taxes in the total income from taxes. This means more inflation.

And then the Federal Finance Minister proposes, according to his remarks at the post budget Press conference of finance the salary increases of the government employees by resorting to bank borrowing of Rs. 6 billion which too is an inflationary measure.

At least about Rs. 10 billion of the resources projected to come in from external sources would accrue from banking sources as those would be short term loans mobilised from international banking system.

On the other hand the government proposes to borrow at about 10 percent interest for short periods as much as Rs. 52 billion from commercial banks during the next year by auctioning one year and six month maturity federal investment bonds (FIBs).

All this is an attempt to borrow massively from banking sources. The Rs. 52 billion worth of FIBs are camouflaged in the budget books as capital receipts. But unlike other capital receipts like income from sales of savings schemes which are mobilised from non-banking sources, the income from FIBs are mobilised from the banking sources.

Overall size

The overall size of the next year's budget is estimated at about Rs. 294 billion and not Rs. 258 billion as was estimated by the print and electronic media while reporting the details of the new balance sheet.

The expanded figure includes Rs. 6 billion earmarked for government employees' salary increases and another Rs. 30 billion which appears to have got lost somewhere in the documentation, either by oversight or by design.

However, intriguingly the overall gap as a result does not go beyond Rs. 96 billion as the income side of the balance sheet makes provision for the Rs. 30 billion missing from the expenditure side.

Federal Finance Minister Sartaj Aziz while addressing the post budget press conference implied that he intended to meet the additional burden of Rs. 6 billion on salary increases would be met from bank borrowing.

Therefore the overall deficit goes up from earlier estimates of Rs. 72 billion to Rs. 78 billion, with Rs. 18 billion of the original gap of Rs. 94 billion taken care by additional taxes.

The breakdown of the incomes to balance the Rs. 294 billion budget is as follows: net federal revenue: Rs. 153.38 billion; capital receipts: Rs. 68.14 billion;

external resources: Rs. 48.03 billion, additional taxes Rs. 18.52 billion; and bank borrowing: Rs. 6 billion.

The missing Rs. 30 billion on the expenditure side is, however, found camouflaged in the capital receipt where it is shown as repayment of bonds and short term credits.

In fact the capital receipt, the details of which are given on page 44 in the Budget in Brief booklet reveals many more things, in fact this table is the key to understanding the budget in its true depth and width.

It shows what a liberal resort to borrowing has been made. Indeed the budget authors have resorted to massive commercial bank borrowing in order to balance a totally unimaginative budget to escape the need to impose additional taxation for which there was not room after a burden of Rs. 18.52 billion had been added on the common man.

Never before in the 43-year-old history of this country had a budget been burdened with so much of domestic borrowings. In fact the overall increase in capital receipts is estimated at 52.2 percent from Rs. 44.78 billion in the 1990-91 to Rs. 68.14 billion in 1991-92.

This amount includes mobilisation of Rs. 54.24 billion through the sale of federal investment bonds showing a record increase of 255 percent from Rs. 15.28 billion worth of FIBs sold during the outgoing year.

Not only this, as much as Rs. 1.28 billion are proposed to mobilise from saving schemes next year showing an increase of 87 percent over what was mobilised through this scheme in the current year.

And the permanent debt at Rs. 54.85 billion projected for the next year shows a massive jump of 75 percent from Rs. 31.29 billion in 1990-91.

The overall borrowing, including internal and external, actually comes to about Rs. 116 billion for the next year. However, under a formula evolved by the World Bank and probably the IMF also only net capital receipt amounting to Rs. 24 billion is taken as borrowing for the calculation of overall deficit.

So, the overall deficit (external borrowing, international net capital borrowing and bank borrowing) is Rs. 78 billion which is a hefty 6.8 percent of the projected gross domestic product (GDP) for 1991-92 estimated at Rs. 1143 million. However, Federal Finance Minister Sartaj Aziz at his post-budget Press conference had said that the overall deficit for the next year was estimated at 5 percent of the GDP as against 5.8 percent achieved during the current year and the IMF target of 4.8 percent for 1991-92.

The Minister was either using Rs. 57 billion as the overall deficit in absolute terms for the next year or he was using a different GDP figure than Rs. 1143 million which the Planning Commission had mentioned in the memorandum for the Pakistan Consortium 1991-92, the

document which Pakistani delegate used in its negotiations with consortium members in Paris, 2-3 May.

Since the arithmetic which produced the figure of Rs. 78 billion as overall deficit does not appear to have been based on figures other than given in the budget books for 1991-92, it is only safe and logical to take it as almost correct. If so, the government has failed to keep to the most important IMF target for the next year, the budget deficit at 4.8 percent.

The IMF had envisaged in its four-year programme that the 1991-92 budget would have an overall size of Rs. 277 billion including a non-development budget of Rs. 205 billion and a development budget of Rs. 72 billion. Of the three figures quoted here only that referring to

development matches the amount allocated for the purpose in the new budget while both the overall size and current budget appear to have gone up by Rs. 17 billion each in the new budget compared to what was projected by the IMF.

On the other hand, the IMF programme had projected the tax revenue for 1991-92 at Rs. 223 billion against the estimated Rs. 213 billion in the budget for next year, showing a gap of Rs. 10 billion.

Again, the IMF programme had projected Rs. 52 billion of external and domestic borrowing, (Rs. 18.2 billion external and Rs. 34.9 billion internal for the year 1991-92 while the budget for the year shows an overall borrowing of Rs. 72 billion (Rs. 48 billion of external and Rs. 24 billion domestic borrowing) and Rs. 6 billion of borrowing from banking system compared to Rs. 2 billion earmarked in the IMF programme for the year.

So, while there seems to be a shortfall of about Rs. 27 billion in the income and expenditure between what was proposed by the IMF in its four year-programme and the budget that was announced on Thursday, overall borrowing appears to have gone up to Rs. 676 billion in the budget compared to the projected borrowing of Rs. 54.1 billion showing here too a difference of Rs. 22 billion.

These differences between the projected budget of the IMF for Pakistan and the actual budget announced by Senator Sartaj Aziz on Thursday has produced a larger overall deficit than what the Fund had prescribed.

Also, the massive borrowing of which about as much as Rs. 60 billion is from the banks, the new budget is likely to fail on the inflation count too, upsetting all the reforms announced and implemented by the government in the last 11 months for the promotion of the private sector and encouragement of the process of privatisation.

Clearly, the government is not backing up its rhetoric with concrete tough measures to achieve self-reliance and curtail unnecessary expenditure and simultaneously improve the tax collection system. By failing to do these very essential things, the government seems to have

created obstacles in the way of its own policy of deregulation, liberalisation and privatisation and of course self-reliance.

It has been seen that selective implementation of the IMF prescriptions has in the past and in many other countries had created more problems than these were meant to resolve through restructuring.

Usually, such failures have confounded the problems of unemployment, prices, and development of social sectors causing in its wake a serious socio-political upheaval and gobbling up the government of the day in the process.

Ironically, it is debt servicing itself which has gone up to Rs. 80.71 billion from Rs. 63.79 billion in 1990-91, showing an increase of 26.5 percent and Rs. 17 billion in absolute terms. The servicing of domestic debt is expected to rise by 39.8 percent and servicing of foreign debt by 12.2 percent over the revised estimates of 1990-91.

The increase in domestic debt servicing in 1991-92 is mainly on account of a change in the rate of return on the ad hoc treasury bills held by the central bank. Previously the rate of return on these instruments was 0.5 percent. These are now estimated at approximately 10 percent in 1991-92 but even this increase in the interest rate did not discourage the government from resorting to larger borrowing.

What is intriguing, however, is the annual development plan, it was made very clear that the Rs. 35.5 billion earmarked for the development needs of WAPDA (Rs. 22 billion), OGDC (Rs. 2.5 billion), Pakistan Telecommunication Corporation (PTC) (Rs. 7 billion) and National Highway Authority (Rs. 4 billion) would be raised from outside the federal budget. But in the actual budget itself, the books include this Rs. 35.50 billion in the overall borrowing of Rs. 72 billion, thus continuing to keep the burden of these organisation on the budget.

It is possible that if these Rs. 35.59 billion are taken out of the budget, the balance sheet becomes, almost manageable with the overall size shrinking to Rs. 252.50 billion and reducing in the process the overall deficit to Rs. 40.50 billion.

However, this does not appear to be so. And the profligacy of our economic managers whatever way they do their creative accounting seems to be pushing the country ever closer to the point of no return.

Every successive government has borrowed its economic management failure and failings. But the IJI government has surpassed all limits. It has gone about it as if this is the last budget it would ever be called upon to make.

Social Expenditures Cut

91AS1056E Karachi DAWN (Supplement) in English
7 Jun 91 pp I, II

[Article by Ihtashamul Haque]

[Text] There has been an almost 50 percent cut in the ADP [annual development program] specially those of social sectors including education and rural development because of which the planners at the Planning Commission believe that the government would not be in a position to meet even half of its targets during the year 1991-92.

Although the provincial special development programmes [SDP] have, from the first, been removed from the federal ADP because of the announcement of the National Finance Commission (NFC), still the officials of the Planning Commission are of the strong view that the cut in the allocations of various ministries related to the social sectors would definitely mar the development activities during the next financial year.

Since the government has also removed four corporations, i.e. WAPDA [Water and Power Development Authority], OGDC, T&T [expansions not given] and National Highway Authority from the budget and asked them to generate their Rs. 57 billion worth resources, the actual ADP stands at Rs. 37 billion against the projected Rs. 90 billion.

Sources said that the official of the Ministry of Finance have merely resorted to gimmick and did not come out clearly about the budget allocations specially those related to the ADP. "The issue has deliberately been confused," said a senior official of the Planning Commission.

There has been a tussle between the authorities of the Ministry of Finance and the Planning Commission over fixing the funds for ADP. Mr. A.G.N. Kazi, Deputy Chairman, Planning Commission, has reportedly been insisting before the announcement of the budget that the allocations in the ADP should not be curtailed and that it should at least be made in accordance with the allocation of previous years.

Smaller ADP

The Ministry of Finance is said to have disagreed with the proposal of the Planning Commission regarding the ADP and said that since there is paucity of funds there can not be big allocation for the ADP. In this regard Prime Minister Nawaz Sharif is believed to have agreed with the view of the Ministry of Finance and approved lesser funds for the ADP.

Sources said that despite the removal of SDPs of the provinces from the federal ADP, the federal development projects of the ministries would suffer heavily. However the sources of the Planning Commission have

expressed concern for not curtailing the allocations of those sectors which related to agriculture or of the business class.

For example the government has introduced a major cut in the education sector by slashing its allocation from rupees 1.2 billion of 1990-91 to only Rs. 679.96 million in 1991-92.

Similarly the government has cut the allocations for women's development. Last year the government had kept Rs. 211 million for this sector but for 1991-92, this amount has been reduced to 204 million, which actually keeping in view the rate of inflation and the IJI manifesto, should have been doubled. It was said that the projects for the 1991-92 have been prepared keeping in view the improvement in the condition of poor needy and development and welfare of women. The allocation of Rs. 204 is also supposed to cover special women action programme and new schemes, these would be the additional programmes for which more funds should have been provided. The priority areas under SWAP include special awareness and social education, education and training, skill development and income generation, social welfare, communities development, health hygiene and nutrition. The projects under this programme are also identified in consultation with the federal and provincial agencies, line department, lady councillors and NGOs [nongovernmental organizations].

Social welfare

Similarly the government has reduced the allocation for social welfare programme during 1991-92. Last year social welfare sector was allocated Rs. 110.726 million for the continuation of its on-going programme. But for 1991-92 only Rs. 64.8 million have been allocated in this vital sector of the society. The programme also include special education and rehabilitation services for disabled for which Rs. 4.5 million have also been provided.

As far as rural development sector is concerned, here again the government has cut its allocation substantially only an amount of Rs. 593.6 million has been earmarked for this sector as against Rs. 3.7 billion in 1990-91. The amount also include a foreign exchange component of Rs. 88.03 million.

According to the strategy, the government wants to accord high priority to the construction and upgradation of rural roads and projects, envisaging integrated rural development. Major portion of the Ministry of Interior will be utilised for the completion of model integrated rural development programme project being implemented with the help of Japanese grants in rural areas of Islamabad.

Physical planning and housing sector has also been provided less funds compared to last year when the government had earmarked Rs. 4.5 billion but for 1991-92 a sum of Rs. 709.7 million has been earmarked.

Science and technology was also provided smaller funds compared to last year. For the next fiscal the government has provided Rs. 238.4 million whereas last year it was given Rs. 453.04 million.

Similarly sports, culture, tourism and youth affairs and water sectors have not been given adequate funds compared to last year.

However, this year the government has increased allocation for agriculture sector and for the next year Rs. 1.6 billion have been earmarked compared to last year's Rs. 1.2 billion. It is said that the production target for the year are fixed keeping in view the objectives of self-reliance and the availability of basic inputs and cultivable land. An overall growth rate of 4.3 percent is projected for agriculture, comprising 3.5 percent in major crops, 4 percent in minor crops and 5.7 percent for livestock, fisheries and forestry products. Major development programmes, essentially include the continuation of the on-going programmes.

Termed Welfare Oriented

91AS1056F Lahore THE PAKISTAN TIMES
in English 1 Jun 91 pp 6, 7

[Text] A budget is not merely an exercise in accountancy to meet the expenditure of the Government with its revenue; it is the most important single document reflecting the economic policies of the powers that be. It can thus be made a catalyst of socio-economic change in the country to achieve the goal of a welfare state. The first Federal Budget of the Government of the Islami Jamhouri Ittehad has been designed as to cast Pakistan in the mould envisaged by its Founding Fathers.

The present government was voted into power with a massive mandate at a time when the Gulf crisis with its attending rise in oil prices was at its peak making Pakistan suffer a painful period of its economic history. Our exports and workers' remittances from the Gulf region were adversely affected resulting in overall additional burden of 700 million dollars on the balance of payments and deepening of the already decrepit budgetary deficit. The government demonstrated its determination to pull the economy out of the economic morass by putting it on the road of self-sufficiency, the king-pin of its economic policy being privatisation and economic reforms. Privatisation was accepted as the sovereign remedy for our economic ills in the past but the previous governments lacked the political will to give it a practical shape. The IJI Government has adopted privatisation as an economic creed and moved ahead to make it a concrete reality. Privatisation will not only relieve the exchequer of heavy burden of funding the financially failing public sector enterprises and help reducing the budgetary deficit but the resources will also be released to develop the fast deteriorating infrastructure for hastening economic development and finance the social sector which has been starved of sufficient funds.

Pakistan's economy had been over-regulated to permit raising the tempo of industrialisation in the country. Most of our present economic problems are intimately linked to the slow pace of industrial development. Prime Minister Nawaz Sharif's commitment to usher in an industrial revolution called for deregulation and bringing about economic and financial reforms which have already been implemented by removing all the road blocks in the way of making Pakistan a new industrialised country in Asia. Pakistan has now become a paradise of industrial investment.

Pakistan lives in villages and our agrarian situation is dominated by small farmers who eke out a miserable living out of the low yields due to paucity of finance and lack of technology. They live in poverty and die in poverty. All the incentives provided to the agricultural sector so far had been mostly hijacked by the medium and large farmers. Under the new agricultural policy announced by the Government, a new agricultural productivity enhancement programme is being launched at a cost of one billion rupees to make available the benefits of technology to the maximum number of farmers. The deficit on production loans to the small farmers had been raised from Rs. 1200 to Rs. 1600 per acre. This will enable the voiceless small farmers to reclaim their lost heritage and participate in the green revolution to achieve self-sufficiency in food and boost agricultural exports. A number of incentives, including fiscal and financial, have been guaranteed to agriculture to promote agro-processing industries and livestock and related activities. Income Tax holiday for eight years has been provided to fish and poultry farms. [sentence as published] Agricultural marketing will be streamlined to ensure for the farmer a remunerative price for his produce. All this will augment rural incomes and generate employment opportunities in rural areas. The Tameer-e-Watan Programme implemented by the provincial governments through district committees will transform the rural civil scenario and make life meaningful for the entire rural population. This programme will be launched by the Provincial Governments through district committees. An additional provision of Rs. 1,600 million has been budgeted for this programme which will be equally matched by the provincial governments. The 7-marlas and 3-marlas schemes will be extended to the rural families of the homeless orphans and widows to provide them a shelter. This is the most neglected section of the society, and would thus share in benefits of the Budget. A fund for the uplift of the deprived communities, financed out of the proceeds of privatisation, is being established to enable them to underline activities covering population, nutrition, health, primary and middle education and community infrastructure through their own community development organisations, making their lives worth living. As a first step towards environmental protection, a short-term programme costing Rs. 15 crore has been drawn up.

Without improving human capital, economic growth cannot achieve the desired results. Human resource

development has been the achilles' heel of our economic development. GDP has increased but human beings have shrivelled and education has remained a cinderella of the budget makers. To increase the total investment in education it is now contemplated to raise the current level of 2.3 percent of GDP in 1989-90 to at least 3.6 percent in 1995-96. It is also proposed to expand the role of private investment in education. National and provincial education foundations will be set up to encourage through grants, non-governmental or individual interested, in setting up educational institutions. The provincial governments will bear 75 percent of the expenditure and local bodies only 25 percent to establish schools by the latter.

Technical and vocational training facilities will be expanded in every high school to ensure output of skilled workers. Free import of hospital equipments for hospitals with 20 beds or more has been provided to promote health facilities.

In order to fight the menace of unemployment, an accelerated training programme through national training bureaus with the active participation of Federal and Provincial Governments, Local Bodies and the private sector is being undertaken. In the Budget, credit facilities and other assistance is being provided to those organisations which are expanding their resources on training.

Small scale and Cottage industries will be given high priority by the government to expand employment opportunities. A special window is being provided in the Small Business Finance Corporation to provide loans to Cottage industries on concessional terms; similar facility will be created for women in the first Women Bank. A sum of Rs. 20 crore has been allocated to the development programme for the uplift and economic betterment of women. A special grant of 5 crore has been provided for the welfare of the minorities.

The tax proposals announced in the Budget have endeavoured to streamline the taxation system by not taxing those who deserve exemption by simplification of taxation system and tax imposition procedure. Mindful of the high income tax rates, the government has reduced for individuals from 45 to 35 percent the maximum of taxable income while for registered firms it has been reduced from 37 to 25 percent. Duty rates have been reduced differently on many different items which will go a long way in lowering the price level in the country. Newspapers will be provided newsprint according to their needs as the duty previously charged at Rs. 1,500 per tonne should make the newspapers cheaper. Import Duty on palm oil is being reduced by Rs. 2,000 a tonne which will bring down the price of Vanaspati Ghee by two rupees per kilogram. Pensioners of the private sector are also exempted from tax on income from pension like government pensioners. Telecommunication Corporation has been permitted to increase 25 paise per local call and 202 percent increase on trunk call. Income from deposits with banks, companies and corporations will

only be taxed at 10 percent. Excise duty on cheques has been increased from 50 paise to one rupee per cheque.

In the Budget positive measures have been taken to bring down the rate of inflation in the country. Prices of Atta constitute the nucleus for all round rise in the prices. Innumerable steps have therefore been taken to bring prices of Atta down between 25 to 80 paise. The Utility Stores Corporation will sell Atta at the rate of Rs. 3.55 per kg. throughout the country. Dealers will be supplied at the rate of Rs. 3.60 per kg. by the Mill owners. It is being considered to provide Atta to the low income people at Rs. 3.25 per kg. The Utility Stores Corporation will provide gram pulses to the consumers at Rs. 6 per kg. instead of Rs. 7. The Budget for 1991-92 is on the whole common-man oriented because no new tax burden has been imposed on him. It is at the same time industrial-cum-agricultural oriented because these constitute the pillars of the edifice on which the economy is supported and developed.

State of Economy

91AS1056G Karachi DAWN in English 30 May 91 p 11

[Italicized words as published]

[Text] The year 1990-91 has been a difficult year for the economy because of the combined effects of the Gulf crisis, the abrupt dismissal of the government and fresh elections in circumstances of extreme political polarisation. While the Gulf crisis caused an increase in oil prices, suspension of exports to Kuwait and Iraq and termination of remittances from the two countries; the dismissal of government created conditions of uncertainty in respect of future policies and caused suspension or delay in development activities. Although the better part of the year passed in overcoming these two shocks, the economy weathered the storm and displayed, as recorded in the Economic Survey for 1990-91, remarkable resilience. According to provisional estimates, the GDP in real terms, despite setbacks, is likely to grow by 5.6 percent against last year's performance of 4.6 percent (provisional estimates last year had placed the growth rate at 5.2 percent) and agriculture by 4.8 percent against 2.7 percent last year (provisional figures were 4 percent). The manufacturing sector has maintained last year's growth rate of 5.7 percent (provisional figure last year was 7.9 percent) and the services sector has expanded by 5.5 percent—an improvement of 0.7 percent over 1989-90. In agriculture, what with favourable weather, price support policy and the comfortable position regarding the availability of inputs, growth was registered by major crops like wheat, cotton (both yielded all-time-high harvests), sugar and gram although a substantial decline was recorded in the output of potato (12.1 percent) and *mash* (7.6 percent).

The manufacturing sector has maintained growth at last year's level. Within the sector itself, large-scale industry's performance has been slightly disappointing; at 4.7 percent it has fallen short of the target of 7.7 percent.

Disappointment is felt because the large-scale sector has been receiving greater attention than the other sectors in the form of tax exemptions, large credits, lower equity-loan ratio and comparatively prompt attention by utilities. In contrast, small-scale manufacturing—which makes greater savings (it depends less on credit), creates higher job opportunities at a lesser cost, receives little attention from financial institutions, is totally ignored, rather obstructed, by utilities and the administration and even denied domestic raw material (as in the case of yarn)—has been making a stable contribution with the growth of 8.4 percent over a long period of time. The highest growth rate of 9.5 percent has taken place in the mining sector where the energy sub-sector, neglected during the Martial Law years, was accorded the highest priority by the post-1985 democratic regimes. Last year also the growth rate in this sector was the highest at 9.3 percent. New discoveries in oil and gas have greatly added to the recoverable reserves. Commodity sectors have produced higher surpluses, resulting in the rise of exports by an impressive 22 percent. The target of six billion dollars is likely to be realised by the end of the fiscal year in June.

All these positive developments in the economy have not, however, contributed to the welfare of the people to the extent the economy can afford. This has been due to the mal-distribution of income over the years, the distorted pattern of expenditure and the continued neglect of social sectors. Latest figures on income distribution, as given in the UNDP [UN Development Program] report on Human Development relating to 1988, show that 30 percent of the total population or about 40 million people are living below the poverty line. The plight of the majority of the people must have deteriorated during the year, as a result of the acceleration of the rate of inflation to 12.6 percent as compared to 6.5 percent last year. Inflation is being fed by monetary expansion (mainly deficit financing, which has risen to 34.1 billion rupees as against the estimated 7.5 billion rupees) and continuing devaluation of the rupee. An improvement in this scenario could have been brought about if the expenditure on social sectors had been appreciably enhanced. But the combined spending on education and health which was already too low—less than 4 percent of the GNP—and has been declining over the years, has further fallen marginally during 1990-91, according to the Economic Survey (from 3.11 percent to 3.10 percent). In education the decline is more pronounced (0.8 percent) but in health there has been slight improvement (0.7 percent). Indications of unemployment in society are ringing alarm bells although the Economic Survey puts the estimate at a ridiculously low level of 3.1 percent of the labour force. This may be due to some outdated formula on the basis of which this figure has been worked out. The position may improve in the future as the reform package of the Nawaz Sharif government begins to make an impact. The package places greater reliance on the involvement of the private enterprise not only in the expansion of the commodity sectors but also in the provision of social services. A

framework for that is being provided through the policy of deregulation and concessions and incentives aimed at unleashing the potential of this sector by encouraging household and corporate savings and investment.

The financial position of the government has not improved to the extent it was expected. The overall budgetary deficit has widened by 2.4 billion rupees over the budget estimate of 56.5 billion rupees and the overall deficit as a proportion of the GDP is also likely to grow. Fiscal deficit continues to cause concern. A long-term policy has been formulated to overcome this imbalance. It envisages bringing down the deficit to a sustainable level, achieving higher growth rates of GDP and domestic savings, making efficient use of human and material resources and reducing dependence on borrowed funds. With the adverse effects of the Gulf war now getting out of the way and democratic stability gradually striking roots, the stage for economic growth looks like being set. The only obstacle that remains, and it is a very frustrating obstacle, is the fragile law and order situation. Unless it stabilises, economic reforms may not yield the anticipated results.

Foreign Investment Increase

91AS1056H Lahore *THE NATION* in English
28 May 91 p 8

[Text] Karachi—Pakistan's policy of opening up the economy will attract larger external investments, despite Gulf crisis and advance development on the aid front.

This was stated by Federal Minister for Finance, Planning and Economic Affairs Mr. Sartaj Aziz during his visit to New York that the economic growth during the current year 1990-91 will rebound to 5.6 percent from the previous low growth rates of 4.8 and 4.6 percent.

Explaining the economic reforms Mr. Aziz said, government was laying down the basic infra-structure and providing the incentives to investors. The new industrial policy package provides that government sanctions would no longer be for the establishment of new industrial units, irrespective of their size, sponsor and location. The only exception will be industries which are controlled for security or religious reasons, he further said.

Mr. Aziz explained that the economic liberalisation and social reforms were geared towards creating just society, guaranteeing its citizens the right to food, clothing, shelter, eradicating poverty and accelerating the pace of development through industrialisation, privatisation and deregulation, agriculture, rural and human resource development, and gradually convert the economy from a relatively closed and inward looking to an open and outward looking one.

Mr. Aziz felt that as an instrument to speed up the process of industrialisation accelerating the growth in agriculture and rural development will prove to be beneficial. Thus measures to expand the network of farm

to market roads, electricity, education and health facilities in the rural areas will be implemented. Plans to implement an environmental protection programme were also underway, he added.

The incentives that government's plan to offer for industrial investment in rural areas included exemption of taxes for five years, and exemption of Custom Duty etc. On imported machinery, government will also not enquire about the source of funds invested in rural areas up till 31 December 1991.

On the list of priorities, Mr. Aziz expressed his interest in developing human resources. "Man can be considered as a means as well as end of development efforts," Mr. Aziz stated.

An investment in human capital through better education, training, health and other social facilities will improve the living conditions of the people.

Press Continues To Call for Self-Reliance

Time Is Favorable

91AS0772A Lahore *NAWA-I-WAQF* in Urdu
18 Mar 91 p 10

[Editorial: "Refuse U.S. Aid, Be Self-Reliant"]

[Text] The U.S. Government has suspended economic and military aid to Pakistan and has imposed restrictions establishing that economic aid will be provided only if Pakistan would open all its nuclear installations for international inspection. The U.S. Government has said that if Pakistan does not meet these requirements, the aid reserved for Pakistan would be distributed to other countries. The U.S. aid for Pakistan was suspended last year because President Bush was not willing to issue a certificate which declared that Pakistan was not developing atomic weapons. According to the Pressler Amendment to the U.S. Constitution, the U.S. President is required to issue such a certificate every October. The U.S. President had not demonstrated any hesitation in issuing such a certificate in the past. However, the situation became very complicated this year. Now the United States has also declared that Pakistan is one of the countries which has the capability to develop chemical warfare. It should not be very difficult to understand the reason behind this policy. The main reason is that Pakistan is no longer important to the United States. Pakistan was very important when there was war between Afghanistan and the Soviet Union. It has been two years since the Soviet armies left Afghanistan. The Soviet influence in Eastern Europe is all but gone, and the Soviet Union itself is facing a major crisis. The United States, therefore, sees no other power that would challenge it. It does not need Pakistan, therefore, instead of telling it frankly, it has stopped its aid using various excuses. Sometimes Pakistan is accused of growing opium and encouraging the smuggling of contraband drugs. Other times it is accused of making the "Islamic

bomb." Another time it was blamed for Islamic fundamentalism. Thank God we have a democratic government now, otherwise, we would be blamed for suppressing basic rights also. However, it is clear that the United States does not approve of Pakistan and will not provide it with any aid.

The elected government of Pakistan has raised the slogan of self-sufficiency to fight this situation. It is telling the people to lead simple lives and make sacrifices. The prime minister is personally appealing to the people to give up tea and cigarettes and live within their means. The prime minister and his cabinet are facing a real challenge as a result of the U.S. suspension of aid to Pakistan. The prime minister has declared that the nation does not need American crutches any more. However, breaking these crutches and standing on our own two feet require a special feeling which we have yet to see. The government is continuously making excuses. There has been no change in the extravagance of the bureaucracy. The ministers and legislative assembly members have not shown any example of frugality. The industrialists and business community are not willing to give up their luxuries. The landlords are not willing to pay agricultural taxes. They are all just giving lip service. The people as a group are not in the mood to accept any reforms. We import everything from biscuits and candy to airplanes. We are not even capable of manufacturing a bicycle. We have to be very serious if we have pledged to throw away the foreign crutches. The nation must be told the condition of our treasury. All doors which allow the looting of the treasury must be closed. Steps must be taken to make sure that tax evaders are forced to pay taxes, those who are used to taking bribes are forced to break this habit, and all unproductive expenses are curtailed. We must increase our exports. Pakistan is not like one of those oil-producing Gulf kingdoms where everything is imported from Europe, the United States, and Japan. We have to develop the habit of using our own products. The government should take the Senate and the National Assembly into confidence to implement this program. It must demand full cooperation in every sphere of life to encourage self-sufficiency. It would be more realistic if the campaign for self-sufficiency was not run as an anti-United States campaign. We should thank the United States for forcing us to take this option, which we should have done on our own.

Economic Problems Viewed

91AS0772B Karachi AMN in Urdu 17 Mar 91 p 2

[Editorial: "The Problem of Aid and Budget for Pakistan"]

[Text] Mr. Eugene MacAllister, vice president of Economic and Labor Affairs, told the audience while attending the Pakistan and United States Economic and Labor Affairs Subcommittee that the United States is not interested in ensuring that other countries stop aid to Pakistan. Instead, it will try to get help through the

World Bank's consortium. According to another recent report, an important panel in the U.S. Congress has already started to review the request made by the Bush government to reduce military and economic aid to Pakistan by 50 percent in 1992. This reduced aid would be available only if President Bush issues the certificate that is required of him. The representative of the U.S. Government that had presented this proposal in Congress did not hint about any progress in talks between the United States and Pakistan Governments. Once aid to Pakistan is stopped and pressure is put on other countries to discontinue providing aid to Pakistan, and attempts are made to get aid to Pakistan from the World Bank, and, the U.S. vice president gives his assurances, the indication is that the United States would not want to cause further problems for Pakistan. However, this statement also indicates that the United States is not willing to give any favorable status to Pakistan, even though the Pakistan Government had supported the United States and other countries in the Gulf war against the wishes of the Pakistani people. The United States wants Pakistan to give up the path of self-sufficiency in exchange for its aid. It wants Pakistan to be acquiescent, and give up its peaceful nuclear program.

The consortium of nations that provides aid to Pakistan will meet in Paris next month. This meeting will serve to give us an indication of how much there is in the U.S. vice president's assurances with respect to Pakistan receiving aid from other countries. However, since the United States has not declared any specific amounts as aid for Pakistan, those responsible for drafting the budget are finding it difficult in deciding on annual development plans and various projects.

According to our sources, since there is no definite information about foreign aid, our Ministry of Finance has not been able to provide information on national and foreign resources. The budget experts have not been able to write basic budget outlines because of this lack of information. There are only 50 days left to present the budget, and the budget should be in the last drafting phase at this point.

In our opinion, the government should focus on this situation immediately, and should prepare the budget based on our own resources instead of waiting for information on foreign aid. Long-term projects that are dependent on outside aid could easily be canceled if the aid is stopped.

The prime minister should start taking practical steps in implementing the policy of self-sufficiency. He should be ready to reduce the army of ministers and their advisers and cut down all other administrative expenses. He should start the example of living within one's own means and tell the whole world, including the United States, that the people of Pakistan will not compromise their principles for their aid. The opposition should also be brought in confidence to help with this very important issue. All politicians in the country should be consulted, and a joint plan of action should be prepared.

An encouraging indicator in this context is that the largest political party, the Pakistan People's Party, has already assured Prime Minister Nawaz Sharif of its full cooperation. Other political parties are also willing to cooperate with the government on this issue. All of them should be taken into confidence before any important decision is made. They should be assured that they will be listened to on important national issues.

Human Development Said Poor

91AS1057D Karachi DAWN in English 24 May 91
pp 1, 15

[Article by Tariq Zaheen; boldface words as published]

[Text] Washington, 23 May—Pakistan figures among countries where the people are denied basic freedoms and development opportunities, in a UNDP [United Nations Development Program] study, called "Human Development Report 1991" released here on Wednesday.

It contains extensive data from almost all the leading international organisations working around the world with different priorities and projects. It puts Pakistan in the Low Human Freedom Index (HFI) and Low Human Development Index (HDI) on account of the alleged misuse of political power and national funds for the benefit of selected groups of affluent people on one hand, and not allowing the general population freedom and opportunities in a variety of areas, including religion, education, health, employment and free press. Numerous other factors have been used as indicators to determine the HFI and HDI placement.

THE UNDP report recommends total aid cut off for countries not taking care of human development needs of their people and spending major part of domestic and borrowed financial resources on defence, and non-human development.

Shariat Bill and UNDP Standards: Some economic, social and human rights experts who had received advance copies of the UNDP report that almost coincides with the announcement of Shariat Bill by IJI [Islamic Democratic Alliance] Administration with Mr. Nawaz Sharif as the Prime Minister said the bill is likely to further deteriorate the existing socio-political and economic conditions in the country, if implemented, in its present form.

The indicators used for HFI and HDI are derived from the United Nations Universal Declaration of Human Rights Including the International Covenants on Civil, and Political, and Economic, social and Cultural Rights. Making a comparative analysis of the UNDP standards required and the ones narrated in the disputed Shariat Bill—as reported here the expert claimed that by reverting back to certain curbs on politics, freedom of the press, religion, social and economic choices, wide ranging negative repercussions would be cast on the overall human development—no matter if Pakistan has

fractionally improved its rating by holding elections in the past or it holds elections in the future, according to those experts who have gone through the scripts of the Shariat Bill presented in Pakistan and the UNDP report on Human Freedom and Human Development released here today.

Pakistan is a signatory to the U.N. Universal Declaration of Human Rights and various other covenants which cover right to life, liberty and security of a person, equality before the law, freedom of assembly, thought, religion and opinion, etc.

Corruption: The report has specifically addressed the issue of corruption in Pakistan which is estimated to be about 4 percent of the Gross National Product (GNP).

The report is the first of its kind that has established a correlation between freedom and development by using a variety of yardsticks.

The Human Freedom Index (HFI) has 40 basic indicators i.e. one for each freedom guaranteed and zero for each freedom violated for accumulating points for a particular country.

Pakistan's Ranking: Pakistan ranks 10th from the bottom among 88 countries which claim to be guaranteeing freedom to their people. Rulers in Pakistan have, however, placed the country at 79th position. Though 10th from the bottom, the country in terms of points is found having violated 35 freedoms out of total 40 freedom indicators, thus getting only five points. Other nine countries below the level of Pakistan in low freedom ranking are Bulgaria, USSR, South Africa, China, Ethiopia, Romania, Libyan Arab Jamahiriya and Iraq. Countries matching the five points with Pakistan include Cuba, Syrian Arab Republic, Democratic Republic of Korea, Indonesia, Vietnam and Zaire.

India, however, gained 14 points by violating 26 freedoms and is placed in medium freedom category, Saudi Arabia six points and Bangladesh seven points.

Points 40 to 31 places a country in high freedom ranking, 30 to 11 medium and 10-0 in low freedom level, as per UNDP Human Freedom Index.

The report has clarified the difference between the Human Freedom Index (HFI) and the Human Rights code, by challenging the claims of various governments including Pakistan.

The human freedom is only guaranteed when it is translated into human development and again the conventional claims by the governments for having a good economy in terms of higher rates of Gross National Product (GNP) are challenged by the Human Development Index (HDI).

Pakistan's Development Ranking: In terms of HDI, Pakistan finds its place at 120th in line, with a total of 160 countries. Again, Pakistan by spending three U.S. dollars as human expenditure per capita is far below India

which is spending nine U.S. dollars for the same purposes. Bangladesh is spending two dollars, China 7, Jordan 83, Malaysia 123, and Korea 133.

Giving just another example of Pakistan, the UNDP report addressed the annual growth rate of 6 percent that appears very impressive. But the successive governments have failed to translate the 6 percent growth rate into human progress. A comparison, for example, with Sri Lanka highlights the failure: while Pakistan has the same GNP per capita as Sri Lanka, its average life expectancy, at 58 years, is 13 years lower, the report explains.

According to the report, Pakistan is among one of the worst cases in terms of human freedom and human development. The UNDP specified that political freedom elsewhere seems to have unleashed the creative energies of the people and that evidence also confirms that human development is irrelevant if it does not incorporate human freedom.

Again quoting Pakistan, the HDI placed the country in the category of six others which are reportedly spending twice as much on military than on health and education. Other six are Chad, Angola, Peru, Syria, Uganda and Zaire. According to HDI figures, India does not fall in this category.

Focusing again on countries in the low HFI and HDI categories including Pakistan the report reveals that if resources are poorly distributed, the cause generally is political. The maldistribution of resources is attributed to safeguarding protected interests, power structure comprising military establishment, urban and rural elites and corrupt bureaucracy.

About 200-page report, at length, has discussed various regional and global issues as well.

There are 20 broad categories defined by the Human Development Index. Each component is further divided approximately into five sub-sections. The three major components of the HDI are "longevity, knowledge and decent living standard."

National Income Account: The national income account based on Gross National Product (GNP) and Gross Domestic Product (GDP) is divided into GNP per capita annual growth rate. In Pakistan's case it is 6 percent as against about 4 percent in India. Highest in the low human development category is Pakistan and lowest is Sao Tome with minus 5.7.

Annual rate of inflation in Pakistan is 6.5 percent as compared to 7.4 in India. While Bolivia with 482.8 has the highest rate of inflation in this category of countries with Ethiopia having the lowest rate of 2.1 percent.

Pakistan's Gross domestic Investment and Gross Domestic Savings with relationship to GDP percentage, are placed 18 and 13 percent, while India are 24 and 21, respectively. Lesotho with 47 percent and Algeria with 31 percent are the highest rating countries in the low HDI group for investment and savings, respectively.

Military Expenditure and Resource Use Imbalances: According to this classification of HDI Pakistan is at the top of the list. Ratio of military expenditure to combined education and health expenditure is 270 percent, whereas, military expenditure as percentage of GNP is estimated at about 7 percent, expenditure in health is 0.2 percent and on education 2.2 percent. India's ratios in these areas are: 81, 3.5, 3.4 and 0.9 in the same categories of expenditures. On regional basis for South Asia this break up is 164, 7.2, 1.0, and 3.4. For all of the developing countries it is 109, 5.5, 1.4 and 3.7 and for industrial countries the ratio of military expenditure to combined education and health expenditures is 38, military expenditure in terms of percentage of GNP is 5.4, health is 4.7 and education 5.2 percent of the GNP, respectively.

Aid negotiations: In this regard the report has made a strong point by emphasizing that if a government—in this case Pakistan—chooses to spend more on its army than on its people, it cannot be regarded as committed to human development and this bias should certainly count against it in aid negotiations.

The UNDP recommended that the World Bank and the International Monetary Fund (IMF) would also need to ensure that their adjustment programmes follow much the same principle. The report says if the budget needs to be balanced this should be achieved by squeezing military rather than social expenditures.

On the military spending the UNDP recommends that if it were frozen at the current level for the Third World, the annual savings could be as much as \$150 billion by the year 2000. On final note on this subject the UNDP says that restructuring budgets to advance human development as recommended in this Report would call for the attainment of the peace dividend. And enhanced human development would help stabilize peace, the report claims.

In the military expenditure and resource use imbalances section, the percentage of armed forces per 1,000 people for Pakistan is estimated as 3.9 as against 1.5 in India; 17.3 in Vietnam is the highest and zero army per 1,000 people is the lowest in Namibia and Uganda.

Armed forces as percentage of teachers, it is 154 for Pakistan, 28 for India, 525 in Somalia is the highest.

Resource flow imbalances: Another important area of Human Development Index (HDI) is the resources flow imbalances in the low HDI countries.

In this category Pakistan is again the highest in a bloc of three countries whose current account balance deficit is more than \$1,500 million. India with \$7,220 million, Egypt with \$2,848 million and Pakistan with \$1,685 million.

Pakistan is among the top five of the low human development countries who have been receiving the Official Development Assistance (ODA). Pakistan received

\$1,119 million in 1989 as against \$1,874 million by India, \$1,830 million by Indonesia and \$1,791 million by Bangladesh. Lowest in this category was Cambodia with \$25 million.

Of the total ODA it was 3 percent of the GNP 9 percent of that 3 percent was spent on social investment while on education and health combined it was 10.8 percent, India's percentage of ODA to the GNP was 0.7 with 6.9 on social investment and 1.0 on education and health. [sentence as published] Pakistan's debt service as percentage of exports of goods and services is estimated by the UNDP as 23.5, while it is 21.8 for India.

Pakistan's performance in all other related key indicators of the HDI is below satisfactory as per standards laid down by the UNDP.

Urban crowding: In urban crowding Karachi is on top with more than 4,000 people per kilometer, overall urban population is 32 percent of the total population which would grow to 38 percent in the year 2000. It is growing at an annual rate of about 4.5 percent. Currently 21 percent of the population lives in the largest cities while overall houses without electricity are estimated at 60 percent with an average 4 persons per habitable room.

Employment: Labour force is 28.8 percent of the total population, of which women are 6.8 percent. Out of this number the percentage of labour force in agriculture is 41.3, industry 10.2 and services 48.5. Annual growth rate of earning per employee in 6.2 percent.

Education: Pakistan's primary school level dropout rate is 51 percent, secondary technical enrollment is 1.6 and public expenditure on education of the GNP is 2.2 with 36.0 percent of that on primary education.

Education profile: Daily newspaper circulation per 1,000 people in the country is only 64, and for the same number of people there are about 15 television sets, 86 radios. Whereas combined primary and secondary enrolment ratio is 29 with primary pupil-teacher ratio being 41. But there is no compulsory education duration in the national education policy.

Health profile: With 0.2 percent of GNP being spent on health, there are 0.6 nurses per doctor, one doctor for every 3,000 persons and one nurse for over 4,900 people.

Twenty-five percent adults smoke in Pakistan, while the maternal mortality rate is 500 per 100,000 live births, and population with access to health services is 55 percent.

Under five mortality rate is 162 per 1,000 live births; 52 percent of children of below 5 years are suffering from malnutrition between 12-23 months 17 percent and between 24-59 months the percentage is 42. [sentence as published] Infant mortality rate is 106 per 1,000 live births, whereas births attended by health personnel are 24 and 25 percent are low birth weight babies.

Rural-urban gaps: Rural population constitutes about 70 percent of the total population; 35 percent of them have access to health services 24 percent to water facilities and 6 percent to sanitation services. For the same categories 99 percent, 83 percent and 51 percent of the urban population has access to health, water and sanitation services, respectively. Rural-Urban disparity is 35, 33 and 12 percent in order of health, water and sanitation.

Profile of human deprivation: 36.8 percent of the total population in Pakistan i.e. about 45 million live below the poverty line. Out of that 24.2 percent are in rural areas, while the remaining 11.6 live in urban areas. Illiterate adults, both male and female, constitute 46 percent while children not in primary or secondary school are estimated 25.7 percent in those age groups.

Spending on Education Said Declining

91AS1057A Karachi DAWN in English 29 May 91 p 8

[Text] Islamabad, 28 May—"Pakistan faces serious challenges in the field of education with low level of literacy (31.4 percent) and participation rates (22 percent at secondary level). The quality/standard of education was also reported to have been declining," says the Economic Survey 1990-91 released on Tuesday.

The public sector expenditure on education reduced from 2.33 percent of Gross National Product (GNP) to 2.25 percent. The UNESCO [UN Educational, Scientific, and Cultural Organization] has recommended that (for countries at Pakistan's level development) 4 percent of the GNP should be spent on education.

The tall claims of removing disparity in education facilities between rural and urban areas and between males and females have yet to be realised. The Seventh Plan 1988-93 had set removal of disparities as one of the targets but it still remains a dream although half of the plan period has elapsed.

Public sector expenditure on education during 1990-91 was estimated at Rs.[rupees]23.567 billion (both development and recurring) as compared to Rs. 20,884 billion during the previous year, depicting a shift from 2.33 percent of GNP in 1989-90 to 2.25 percent in 1990-91.

This is the second consecutive year that the expenditure on education in terms of percentage of GNP has been reduced from the previous year. In fiscal 1988-89 2.44 percent of GNP was spent on education which was reduced to 2.33 percent in 1989-90 and now to 2.25 percent in 1990-91.

The Government levied 5 percent Iqra surcharge on imports in 1985 to raise additional funds for education. According to provisional estimates, a total of Rs. 6,000 million would be collected during the current fiscal year under this head. However, instead of giving this amount as an additional resource to education sector, Iqra surcharge collection is added to the overall resource pool thus negating the grounds for which it was imposed.

According to 1981 census, Pakistan's literacy rate was 26.2 percent: the male rate being 35.1 percent and female rate 16.0 percent. The UNESCO has estimated literacy rate of Pakistan for the year 1990 as 34.9 percent (45.1 percent male and 20.9 percent female). The National Education Council puts the figure at 31.4 percent (41.2 percent male and 20.2 percent female) for the year 1990 whereas the Planning and Development Divisions have estimated at 33.6 percent (45.1 percent male and 20.9 percent female) for 1990-91.

The survey claimed that an additional number of 241,000 children were enrolled in 1990-91 at primary level in schools, 134,000 at middle level, 47,000 at matric level and only 33,000 at college and university level combined.

Approximately 8.8 million students were studying in primary classes, 2.5 million in middle level (class VI to VIII) and 0.8 million in matric. Similarly, about one lakh students were getting vocational training, 0.5 million in arts and science colleges, 85,000 in professional colleges and only 77,000 in universities.

The participation rate at primary level increased from 68.5 percent during 1989-90 to 71.3 percent in 1990-91, at middle level from 33.9 percent to 36.0 percent and at secondary level from 21.1 percent to 22.5 percent.

At primary level, the participation rate of male students was 86.9 percent compared with 54.5 percent of females in the same levels; 47.7 percent male at middle level as

compared with 23.6 females; and 30.3 percent males in high level classes (class IX and X) as against 13.9 percent females.

Major physical targets were achieved 100 percent in 1990-91 in the education sector. As many as 3,157 primary schools, 5,250 mosque schools were opened while 1,805 primary school buildings were constructed. Similarly 646 primary schools were upgraded to middle level, 363 middle schools were upgraded to high level, five new high schools were opened while 223 middle and high school buildings were constructed.

In Special Education and social Welfare Sector, the Survey said government provided technical assistance to 5,000 voluntary social welfare agencies working throughout the country. The grant-receiving agencies, the Survey said, were contributing thousand times more than the grants they were receiving from the government. These agencies completed projects worth Rs. 250 million on self-help basis in a period of five years.

As many as 4,776 handicapped children were imparted education/training in 46 Special Education centres in the country. Out of a total of Rs. 144.282 million allocated to Special Education and Social Welfare in 1990-91, Rs. 116.181 million were earmarked for education, vocational training and rehabilitation of disabled children and persons while Rs. 18.517 million for social welfare services like community development, vocational training for men and women, adult education, welfare of senior citizens and patients welfare.

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