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Near East/South Asia Report

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20 April 1984

NEAR EAST/SOUTH ASIA REPORT

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BRIEFS

GULF FOOD SELF-SUFFICIENCY--Abu Dhabi, 6 April (WAKH)--A study prepared by the UAE Ministry of Agriculture and Fisheries on the possibilities of achieving self-sufficiency in some foodstuffs in the GCC countries by the year 2000, has revealed that the UAE will be 100 percent self-sufficient in corn and 95 percent self-sufficient in fish. The study also revealed that the Kingdom of Saudi Arabia will be self-sufficient in corn by 98 percent, in eggs by 87 percent, in white meat by 82 percent, in fish by 48 percent, and milk products by 29 percent. By the year 2000 the Sultanate of Oman will achieve self-sufficiency by 85 percent in eggs, 68 percent in fish, 28 percent in white meat, and 24 percent in milk products. By the year 2000 Kuwait will achieve self-sufficiency in white meats by 88 percent, in eggs by 82 percent, in milk products by 11 percent, and in red meats by 6 percent. As indicated in the study, Bahrain will achieve self-sufficiency in eggs by 65 percent, in white meats by 62 percent, in milk products by 20 percent, and in red meats by 2.6 percent. [Text] [GF071145 Manama WAKH in Arabic 0534 GMT 7 Apr 84]

BAHRAINI AMIR'S UK VISIT--Abu Dhabi, 9 April (WAM)--The newspaper AL-WAHDAH expressed hope that the efforts made by the GCC countries to end the Iraqi-Iranian war will be successful so that peace and security will prevail in the region. In its commentary today on the visit of Bahraini Amir His Highness Shaykh 'Isa ibn Salman Al Khalifah to Britain tomorrow--which, as it has been announced, will deal with ending the Iraqi-Iranian war--the paper said. Bahrain's move with her sisters in the GCC, in these critical circumstances, will give great importance to the necessity for an immediate end to this war, the continuation of which is threatening the region with the greatest dangers. The newspaper stressed that the continuation of the Gulf war is not in the interest of the two warring countries, as it exhausts great resources and wastes priceless blood as well as fully opening the door for the intervention of the colonialist powers under the pretext of preserving their interests in the Gulf region. [Text] [GF090848 Abu Dhabi WAM in Arabic 0612 GMT 9 Apr 84]

CSO: 4400/212

'PEOPLE'S TRIBUNAL' TO BE CONVENED IN PARIS 'TO TRY TURKEY'

Istanbul MARMARA in Armenian 8 Mar 84 pp 1, 4

[Text] Armenians announced that they plan to institute a people's tribunal in Paris and to try Turkey.

Dikran Kuyumjian, professor of Armenian history at the University of California, held a press conference in Los Angeles and said that they intend to hold a People's Tribunal in Paris on 13-16 April during which events of 1915 will be discussed. He added that the 3 days' hearings will cost \$80,000 and that already committees have been formed to collect the money. Kuyumjian revealed that the People's Permanent Tribunal based in Rome, the Minority Rights Group of France, Survival International of the Federal Republic of Germany and Cultural Survival, Inc in the United States would also like to take part in the deliberations on the Armenian issues.

Kuyumjian said that, after hearing the testimonies of scholars and witnesses representing the Armenians and the Turks about the Armenian affairs, the Tribunal will reach a decision. Kuyumjian further stated that some of the 60 illustrious members of the People's Tribunal are Nobel Prize laureates. Twelve of the 60 will be chosen to study Armenian affairs in Paris. Among the Nobel Prize laureates are the American biologist George Wald, the Colombian writer Gabriel Garcia Marquez, the Algerian jurist Amar Bentoumi, the peace prize winner Irishman Sean McBride, and the French mathematician Laurent Schwartz. According to Kuyumjian, about 30 Armenian organizations in France are working around the clock to prepare the documents for the trial, presided over by Gerard Chaliand, the French professor of political science. Kuyumjian stated that already \$40,000 has been collected, to cover half the cost of the Tribunal.

Kuyumjian further stated that Turkey has been invited to send a representative to defend its views in Paris. He added that Stanford Shaw, professor of Turkish history at UCLA, has also been invited to defend the Turkish case.

On this question, Kuyumjian gave the following explanation: "If the invited persons fail to show up, the Court will appoint its own officials and will demand that they present the Turkish point of view."

Kuyumjian summed up his press conference with these words: "At the end of a 3-day session, a decision will be made concerning the Armenian massacres and most likely Turkey will be found guilty before world public opinion and will be condemned."

BRIEFS

IDB DEPOSITS--In spite of the fact that the Islamic Development Bank (whose headquarters is in Jiddah) has stopped promoting its plan for the mobilization of resources and has recently stopped accepting large deposits, its investment deposits have increased during the last 3 years to the point where, by the end of 1983, they totalled about 150 million Islamic dinars. By way of comparison, in 1981 these deposits totalled 43.8 million Islamic dinars, and in 1982 they amounted to a total of 50 million Islamic dinars. This increase was caused by the creation of a large surplus of liquidity, and this is a circumstance which emerged due to the increase in capital subscriptions since the beginning of the year 1402 A.H. (1982)--during a period of time when operations conducted by the bank in the field of foreign trade did not match this increase in liquidity. Another thing which contributed toward this increase was the fact that the bank accepted large deposits in its investment deposit program, but was unable to expand its operations. This resulted in a decrease in the bank's participation in commercial operations and consequently resulted in a decrease in its profits which could be transferred to the profit and loss account. For this reason, the bank directors discussed a number of options which they had for solving the problem of accepting large deposits. One of these options was that of completing the arrangements for the investment of liquidity in accordance with the principles of Islamic law. The first step in this direction will soon be taken in the form of the investment of 5 million pounds sterling in the Saudi International Bank in conjunction with commercial transactions involving commodities. Another option involves combining [the resources of] prospective investors wishing to increase their participation in operations involving the financing of foreign trade for their own countries. If the Islamic Development Bank engages in this activity, it will be playing the role of middleman in order to facilitate the arrangements and procedures. [Text] [Paris AL-MUSTAQBAL in Arabic No 367, 3 Mar 84 p 45] 9468

CSO: 4404/374

ALGERIA

BRIEFS

CSSR ECONOMIC COOPERATION--Algiers, 4 April 84 (APS)--Works of the [number indistinct] session of the Algero-Czechoslovak Joint Committee for the Economic, Scientific and Technical Cooperation ended yesterday with the signature of a proceedings by the two co-presidents Messrs Mohamed Aberkane, deputy minister in charge of external commerce and Bohumil Urban, Czechoslovak minister of external commerce. The proceedings expect a still more significant cooperation of relations between Algeria and Czechoslovakia. In this regard the two sides agreed upon the principle of the negotiation of a new accord of the economic cooperation destined to finance the achievement of projects in different sectors of the Algerian economy. [Text] [LD042253 Algiers APS in English 1015 GMT 4 Apr 84]

CSO: 4500/56

ECONOMIC WRITER SUGGESTS PUBLICIZING DOMESTIC PROBLEMS

Cairo AL-AHRAM in Arabic 10 Feb 84 p 7

/Article by Salah Muntasir: "Just Politics: Our Problems on the Air!"

/Text/ Let us assume that television did not carry the details of the Africa basketball championship held in Alexandria last December directly on the air. Could the response and empathy which arose between millions of Egyptians and the team which won the championship, and its fighting stars, have occurred?

Could any other medium besides television have succeeded in charging millions of Egyptians with the currents of partisanship and excitement that coursed through everyone's spirits and made them burn ardently with love for Egypt?

Let us assume that television did not do what it did when the central water main in Giza suddenly broke more than a year ago, did not move its cameras and cameramen to the site of the broken main, and did not interrupt its regular programs every 3 or 4 hours to broadcast a detailed live picture from the site of the main, of the suffering officials were going through in the middle of the sea of water in which they found themselves, and the great effort they were exerting. Could we have reached the hundreds of thousands of citizens who resided in Giza and whose water was cut off, although not a one of them dared to open his mouth with a word of protest, or even express any feeling of discomfort?

What caused the citizens to react excitedly to the basketball and volleyball teams and all the games that have been played in the name of Egypt, which have enriched millions of people in homes and streets in the name of Egypt?

What made the inhabitants of Giza bear in silence the cutoff of water from their homes, because it saw and monitored and was clearly, truthfully, and without embellishment aware of what was going on? When the masses keep abreast of an event, whatever its effects might be, that must uplift these masses to bear their responsibilities and give them the power of boldness to sacrifice and be able to confront sacrifice. However, if the true picture is hidden from the masses, and these masses are prevented, under the

justification of any reason, from sharing in knowledge, dialogue and follow-up, the gap between them and the government will remain great, the tree of the crisis of confidence between the two will grow, and one of the repeated records which we have grown bored of hearing will be that of the failure to appreciate what the government agencies are doing, the indifference of the masses and the fact that one hand cannot clap. It is true that a single hand cannot clap. However, it can wave in the air, expressing a phenomenon of protest or distress. One obvious phenomenon in our life is that we are now speaking about what government does not do, while we do not talk about what government does do. We are in a state of permanent protest against the government, while the government considers that justice requires that we judge it by what it itself does and what the masses which must take part and bear their responsibilities do not do!

Since the present is the outcome of the past, and the future is the product of the present, a look back at the period of authoritarian rule will show us that the most conspicuous mistakes of that period are that it killed or stifled the freedom to think, the freedom to aspire, the freedom to take risk and the freedom to choose between right and wrong in the individual.

The government is the cogitative mind for all the problems the citizens face, and the executive agencies, at whose summit is the ruler, are responsible for providing the citizens' needs in the form of food, clothing, housing, education, medical treatment and so forth.

At the beginning the government could realize this, because it resorted to nationalizations and confiscation without real compensation, which of course provided the public treasury an abundant income. However, after a substantial period of time, the government had to confront:

Increasing demands from the citizens in various fields.

Deficiencies in these masses' performance and production as a natural result of the suppression of their individual initiative, which is the greatest dynamo prompting any citizen to double his efforts and sacrifice.

Then, events and errors deteriorated alongside that, and that led to the 1967 defeat, one of whose results was a major error, which could be summarized by the government's effort to beg for the approval of the citizen and divert him from his vexations and concerns, to the point of ignoring all the excesses that this citizen began to commit against the laws and conduct of discipline, morality, sanitation, traffic, morals and other things, leading to the most serious disease to afflict modern Egyptians, which is the disease of the terrible inflation of the glands of indifference and a miserable poverty of general sense of responsibility.

No government, no matter how rich it might be, can act at a distance from the masses, and the masses, no matter how great their devotion might be, can feel solidarity and attachment to a government if it has not participated truly and seriously in the problems they are facing.

As far as Egypt is concerned, I can say, without any exaggeration, that the talk about our problems has become boring and twisted, because we all know about these problems. In fact, I am not going beyond the truth if I add that there are volumes of works of research and studies related to every problem.

Nonetheless, neither do citizens confirm that the government is exerting efforts for the sake of solving the problems, nor does the government sense the fairness it believes it deserves from the citizens. Let us state most frankly that a crisis of confidence still exists.

If I were asked about the most important causes for this, I would immediately say that it was because the government is still afraid to face the masses with the necessary measures which the treatment of their problems will require, it is still afraid to get close to issues which now constitute great importance in the life of the masses, and it is still saying things which the citizens do not sense as reality in the market of transactions.

Statements can bring down the prices of any commodity, can build thousands of dwellings, can provide all kinds of drugs in the pharmacies, and can assert discipline in the flow of different forms of transportation, but the daily transaction market unfortunately deals with a state of affairs in which prices are escalating week after week, youths and thousands of people are suffering from the crisis of housing, and citizens are "dizzy" as they run from pharmacy to pharmacy in search of a missing drug which constitutes a matter of life and death, such as some machines for diabetes and the heart.

The more statements are made and the more citizens feel they are violated in the daily transaction market, the greater the gap of the lack of confidence between the citizen and the government grows.

The question is, since we have tried dozens of attempts to discuss our problems in the ministries, the general and branch committees and sub-committees, the Council of Ministers, the consultative assemblies, the national councils, and all kinds of councils, why don't we try discussing them on the air, in the presence and with the participation of the people directly?

The people are the ones who are concerned with the problem, and they alone are the ones who must solve it. How can we impose the solution on them without having them contribute directly vivid, clear, truthful knowledge in grasping all sides of the problem?

Why don't we try to grasp all of our problems and present them as an issue to be discussed before the eyes of the millions through television?

For example, the issue of bread, the issue of the price of meat, the issues of various supply commodities, the issues of oversight by the people, and so on and so forth.

There are four main parties for every issue: the producer, the distributor, the consumer and the government; why shouldn't we present all the issues common to them through a confrontation among the parties involved, without fear, sensitivity or complexes, but rather out in the open, in front of all the millions who, I believe, indeed can almost categorically state, will live through the problem, have a deep understanding of it, and vie with one another to carry out what is agreed on?

While secrecy is the most important weapon for preparing a government for war and combat, and the citizen must not know the reality of what is going on militarily, indeed must delegate his leaders to take the decisions and measures they consider appropriate to achieve victory in the end, openness is the most important weapon for building up the state in peacetime, since every citizen becomes a soldier in this construction and is the greatest overseer of its consummation.

We can actually try to discuss our problems concerning the issue of young people and religion on the air, as I envision it, in another manner; we already made numerous attempts in this, and the situation finally prompted us to settle for discussing them on the air without complexes or fear. The result was that millions of homes now await this discussion every Friday and are now realizing, evaluating, and weighing matters through various criteria besides the ones that they had used before the discussion of this issue was put on the air.

In regard to the issues of the setting of the prices of supply commodities, the general verdict of the masses is that all producers and merchants are thieves, exploiters and bloodsuckers. There might be some truth to that, but it is certainly not the whole truth. In addition to exploiters and bloodsuckers there are many honorable people, but the failure to confront the issue in the light of day, before the millions, with its hidden facts, of necessity leads to this generalization which the masses are uttering and in which they turn every merchant into a bloodsucker.

In confronting many problems of commodity and supply prices, the government might consider it necessary to adopt decisive measures to put an end to the problem, but it avoids them or escapes from them into other measures which are not decisive, out of fear of the anger of the masses.

The masses have the right to be angry if they are not frankly shown the truth, if they hear statements which diagnose the ailment in a self-contradicting manner, or if they are surprised by decisions they have not existed with and whose reasons they have not come to feel understanding for. That might explain the secret of the demonstration which took place in Tunisia and later in Morocco when the masses were surprised by the doubling of bread prices overnight, because the masses had not lived with the problem. All they were told was that the government would not raise the price and that it was anxious over the comfort of the citizens and price subsidies, then suddenly there was the decree by which the government surprised the people, a

decree raising prices. The natural response was the people's uprising and response to the government through excitability and demonstrations, because dialogue between them was lacking or proceeded on two contrary paths.

More than that, and more important, such discussions on the air would certainly relieve the government of a feeling of fear of discussing issues which the masses are talking about but the government is afraid to take decisions on. The masses, those whose interests are involved, have the right to be the ones to make the decisions on these decrees.

For example, there is the issue of the relationship between owners and tenants of agricultural land in the rural areas. Would anyone deny that the whole rural area is talking about this issue, and that it affects its social relations and productive capabilities?

The government might have an excuse for not adopting a decisive decision on this issue, but how long will the issue continue to be frozen, with its increasing grave effects? There also is the relationship between the owners and tenants of old buildings in the cities; discussions on that are going on everywhere among the masses; why don't we bring them out into the light of day, before all the parties they concern and infringe upon?

There is the issue of graduates and public jobs, the government's responsibility in its commitment to make appointments, and the need to change the structure of labor in the government. That is an issue which the government might feel embarrassment in discussing in closed rooms, but discussing it out on the air, with the participation of all parties, will eliminate this embarrassment.

I know that this might constitute a new experiment, but it is a necessary one, if all the accumulated complexes which have made the government the guardian of the citizens, and have kept the citizens from being participants, or understanding what they must know about their problems, are to be uprooted from within ourselves.

It might be said that the Hearing Committee in the People's Assembly actually does hear the parties to various issues, such as the issue of traffic in the city of Cairo. That is true, but how many people have attended and heard this discussion? What commitment does any party have to the discussions that are going on?

The television set is the most dangerous instrument in this era. By this instrument, it is possible to move the masses and master their insights. The government alone does not have the solution, nor are the masses alone able to find the solution, without the government.

Our problems on the air: let us try them out.

We must have confidence in these masses and in their abilities, and if they are a patient who has to be cured, let us take the patient into the operating room with open eyes, an aware intelligence and perception.

Let us realize, discuss and speak, and when we become aware we can take part. When we take part we can help the government with every decision it reaches, and there will be no auctioneers or opportunities for people who traffic in people's pains and sufferings to increase the darkness of our night and the despair and frustration of our future!

11887

CSO: 4504/210

EDITORIAL, FLAYS ESCALATING MEDICAL EXPENSES

Cairo AL-AHRAM in Arabic 10 Feb 84 p 17

/Article: "A Serious Fact Which We Are Raising before the Doctors' Union: The Rates and Costs of Private Treatment in 12,000 Clinics and 282 Hospitals Now Are 10 Times Greater Than the 'List'!"

/Text/ Finally, after much suffering from patients, and great superciliousness on the part of many official parties, private treatment rates in Egypt have been put on the table for discussion and review by two official bodies at the same time.

The first is the Doctors' Union, which deserves thanks because its preoccupation with the elections has not prevented it from speaking suddenly about the issue after keeping silence on it for 14 years, continuing to justify that by issuing a list of maximum tariffs for doctors and costs of private treatment of Egyptian patients. It is not the union's fault that no one has committed himself to that list since the day it was issued in 1970.

The second is the Health Committee in the People's Assembly, which is headed by the head of the Doctors' Union and also abruptly mentioned its duty on the need to hold hearings on the problem of doctors' rates, which is exacerbated, now that it has gone beyond the bounds of the ability to pay, not just of people with limited and average incomes but also affluent people! These are the discussions in which the view that triumphed was the one that held that the government not intervene in setting doctors' rates or the costs of private treatment, out of fear over the effect on investment treatment projects which offer exceptional medical service, and that one content oneself by getting the government to resort to expanding and improving treatment and insurance services, in order to create "elements of a balance" with private treatment in Egypt, and then compel it to lower its rates and costs in a country whose constitution essentially guarantees the right of free treatment for all citizens.

What are the facts behind this "delayed confrontation" with the problem?

To what extent can it succeed this time in suppressing the inflation which has raised the amounts on the latest invoice for treating patients in a private hospital, for a period of just 2 months, to 25,000 pounds?

Can Egypt regain the large numbers of people it has lost who used to come to the country on "medical tourist activity" but in recent years have started to go to European capitals, where resources are greater, services are better and costs are lower, and, let me absolutely not state, expertise is greater?

In an official Ministry of Health memorandum, which broaches the issue in spite of its gravity, in spite of its extreme embarrassment, this acknowledgment appears:

"Doctors' tariffs and board and service rates in private medical installations have trended upward. That is an acceptable trend in terms of principle, if one is to keep abreast of the rise in the costs of other services and products, but as a result of the nature of medical service and the psychological state of the patient, complaints concerning the rise in rates for examinations and treatment exceed complaints about the rise in costs of other services which might not constitute a pressing human need among citizens. Above and beyond that, some doctors go to unjustifiable excess in assessing fees. In addition, the rates for board and services in private hospitals have reached a level which citizens of average incomes, and even affluent citizens, are incapable of supporting."

When the Ministry of Health acknowledges these excesses in rates and costs of private treatment in Egypt, it is taking absolute account of the rise in costs of construction of single treatment beds, which come to 50,000 pounds per bed, including construction and equipment expenses.

The issue therefore is in no way a desire to limit the activity of investment treatment projects or to display enmity toward private treatment in Egypt. Rather, the goal, which is a genuine government responsibility, is just to confront the rates and costs of private service when they go beyond "feasible compensation" to the point of "grinding exploitation."

When the Ministry of Health most correctly acknowledges that the 1970 list of rates is no longer suitable for the level of private treatment in Egypt at present, that does not at all mean that the shocking rise which the wages of doctors, especially the senior ones, has attained is an "acceptable alternative" to a list of wages which is no longer acceptable.

Comparisons underline a blatant discrepancy:

While we can say, for instance, that the 1970 list of rates set for an examination in the clinic at 3 pounds, an examination at home at 5 pounds, and participation in a consultation at 10 pounds, in the case of doctors who were professors or their equivalent, and that these wages are no longer acceptable at all and were not honored in their time, it is equally unacceptable that the rates on the list should multiply 10 times over, so that the rate for an ordinary examination comes to 30 pounds and that for an urgent examination to 50 pounds. The section on "urgent examinations," which have become the rule in the case of some senior physicians, while others become the exception, did not essentially appear on the list!

While the 1970 list set the maximum rate for the biggest operations requiring special skills at 120 pounds for professors and their equivalent, when they carried them out on class one patients, and the figure dropped to 80 pounds for specialists--operations of types which the list specified including heart valves, removal of malignant tumors, installation of artificial joints, and detached retinas--we will state that these rates are no longer just or logical and that it is no longer just or logical that they now come to the thousands!

The issue therefore in no way involves adherence to a list of rates which was suitable when it was issued 14 years ago but rather the fact that they have proceeded to multiply at least 10 times over. It is impossible to claim that the prices and costs of services have multiplied at that rate, or anything close to it, in the years which have passed since the issuance of a list of rates which never was honored!

In coping with this blatant discrepancy between rates of doctors on "the list," and their wages in the "clinics," we hear senior doctors charge that they have no way to limit the pressure on them, which oppresses them greatly and greatly stifles opportunities for other doctors as well, except to increase the rates many times over. That is an acceptable charge in appearance, as is said in the legal expression, but it is to be rejected in substance. There are states of illness which are so serious and sensitive that the people suffering from them must have the opportunity to receive just rates from people with long technical experience. It is always possible to pave the way for these cases alone if we adopt the gradual progression of rates in effect abroad covering general practitioners, specialists and senior professors who have rich experience but are not themselves rich.

However, other people belittle the importance of the whole issue. We say that the government hospitals contain 51,000 beds now; no less than 100 million patients visit these a year and they do not incur the lowest rate of private treatment rates and costs. That is not to speak of the 3 million, at least, who are covered by insurance treatment outside the low-cost treatment outlets which the government has expanded in order to cope with the increase in private treatment. This is all true, but it cannot remove from consideration the fact that there are just 2.1 beds per 1,000 patients, while the rate previously was 2.3 beds per 1,000 patients--that is, that the construction of treatment beds is not keeping abreast of the surging population increase, not to mention the fact that there are 79 government hospitals which have gone beyond the stipulated 30 years of their hypothetical life and the different forms of shortcomings which it is impossible to ignore in free treatment services, in spite of efforts which have sincerely been made to improve them. The upshot of all this is that tremendous numbers of patients must voluntarily or under compulsion seek recourse to private treatment involving approximately 12,500 clinics, more than three quarters of which are in Cairo, Giza and Alexandria.

Private hospitals, according to the data available to the Ministry of Health, come to 282 in number and contain 7,916 beds. This number, as the Ministry

of Health stated in its memorandum on private treatment in Egypt, constitutes "10 percent of the total treatment beds in Egypt, although the proportion of services these beds offer is several times greater than this numerical proportion, as a result of their high rate of occupancy, the short period of stay and the high turnover of beds in them."

In the light of these facts, one must therefore not belittle the volume of dealings with private treatment in Egypt and the issue this also becomes one of the "proliferation" of patients actually suffering from high private treatment fees and not just an issue of a "paucity" of people who are essentially affluent, as some people wish to portray it, so that therefore there is no justification for defending them!

In any event, the issue now in the first place is the responsibility of the Doctors' Union in carrying out Article Two of Law 45 for 1969 which stipulates, as one of the areas of specialization of the union "participation in the organization of health services in private clinics and treatment installations in the context of socialist concepts," Article 28 which stipulates the union's duty to "examine matters related to the assessment of doctors' tariffs," and Article 46, which makes it mandatory that the union board "set out a schedule of maximum tariffs which doctors should receive for cases of consultation, treatment and surgical operations, with the provision that this schedule be approved by the Ministry of Health."

11887
CSO: 4504/210

WORK OF 'PROFESSIONAL DESTABILIZERS' CITED

AB161510 Nouakchott Domestic Service in French 1430 GMT 15 Mar 84

[Station commentary]

[Summary from poor reception] "The methods of destabilization are being developed and improved but the techniques remain the same and in conformity with a clear objective--the creation of doubt in the minds of the people, the undermining of their confidence, and the disparagement of the country's institutions through attacks on the credibility and morality of men in posts of responsibility." This psychological work is completed by the launching of a field action by professional destabilizers attempting to provide a massive reaction from the people in order to overthrow the existing institutions.

"Some concordant reports and significant facts make us believe that some professional destabilizers have chosen our country as a testing ground for these techniques. The process has been launched and the signs are now visible. Rumors have been circulating and are being fed every day with new substances. Imagination is running wild. Only yesterday, there were rumors of an imminent racial confrontation." There were even reports of racial clashes in certain localities in the interior of the country.

"The patriotic reaction of the Mauritanian people and the indifference and contempt with which they received these rumors did not, however, discourage the professional destabilizers." They immediately found a new ground of maneuver by getting hold of a commonplace incident which they distorted--the conclusion of an agreement between a local bank and one of its clients within the context of efforts to recover bank loans, which is a priority defined by the CMSN.

Our recognition of the SDAR immediately drew the attention of the professional destabilizers who adversely commented on it in order to create a division within the national leadership. "The most recent event, of course, was the recent cabinet reshuffle and the changes which have occurred within the armed forces; by strengthening the armed forces command, these changes have disrupted the plans of the partners in destabilization. In order to give more chances of success to their internal agents as well as to tarnish the image of Mauritania abroad, these partners did not hesitate to use the foreign press which they flooded with false reports concerning the situation in Mauritania which, according to them, is characterized by bad management, corruption, and misery."

The professional destabilizers seem to believe in the success of their enterprise. They recently resorted to their henchmen to provoke street agitations by children. "All Mauritians who have chosen to enroll themselves as mercenaries against their own country will be treated as they deserve. As for their foreign partners, they will finally understand that Mauritania is not the poor and feeble country they imagine. The Mauritanian people, under the leadership they have chosen, are determined to safeguard the independence, sovereignty, unity, and freedom of the Mauritanian nation."

CSO: 4500/56

COAL IMPORTS REPORTED

Casablanca LA VIE ECONOMIQUE in French 24 Feb 84 pp 4-5

[Unsigned article]

[Text] To reduce fuel consumption, more than 300,000 tons of coal will be imported in 1984, and nearly 1 million tons next year. But large installations will be built.

More than 12,000 tons of coal imported essentially for the Gharb Sugar Plants in 1974, more than 250,000 tons imported for power plants and cement plants in 1983, and no less than 1 million tons forecast for 1985; three figures which pinpoint the extraordinary increase in Morocco's consumption of imported coal.

"The idea of gradually converting the large energy consuming industries from oil to coal was born following the second oil shortage and the National Energy Savings Conference at the end of 1979," explains Mounir Aouad, director general of SOCCOCHARBO, the only Moroccan coal importer.

If the government, and consequently the major users of energy products, have opted for this return to coal just like other countries which lack large energy resources, it is because the "coal option" for equal heating power has a certain economic attraction compared to the black gold.

The difference currently is 30-40 percent in favor of coal, payable in precious currency, since these two fuels must be imported until our country, which has various energy resources, becomes self-sufficient. "Morocco does indeed produce very high quality anthracite in its Jerada mines," Mr Aouad points out, "and although 95 percent of this production is being used, it remains limited and cannot meet the growing market demand for the intermediate term. With a production of 751,000 tons in 1983, the Moroccan Coal Mines cannot possibly supply the power plants, cement plants, sugar plants, as well as home needs, especially since starting in the 1970's, nearly 85 percent of the production is consumed on the spot by the Jerada Thermal Power Plant."

Coal and coke importations in 1983

I	Coal	
	ONE	151,712
	Cement plants	53,598
	Sugar plants	10,482
	Others	500
	Total	216,292
II	Petroleum coke	
	Cement plants	35,160
III	Cokes	
	Sugar plants	15,456
	Zellidja Smelter	9,879
	Other smelters	4,578
	Total	29,913
	Grand total	281,365

Importations by harbor

Casablanca		
	Coal	174,822
	Petroleum coke	35,160
	Cokes	13,668
	Total	223,650
Tangier		
	Coal	10,482
	Cokes	5,366
	Total	15,848
Nador		
	Coal	30,988
	Cokes	10,879
	Total	41,867

The soaring oil prices, and the recommendations of the Interministerial Commission for A National Energy Plan, have caused those in charge of the energy sector to seriously consider the imported coal alternative. As Mr Aouad has said, we must admit that we have a certain gap, and that we have lost at least two years, but nevertheless this option is unanimous and everyone accepts the fact that coal is indeed rising from its ashes.

The first step was taken by the National Electricity Office (ONE) with a 1981 decision to convert to coal two of the four 150 MW generators at the new Mohammedia Power Plant that was being built.

In 1982, the same office decided to reconvert to coal the two 30 MW generators at the Roches Noires Power Plant in Casablanca, thus returning to a fuel already used ten years earlier, and one for which the plant had been designed.

A first contract was signed with SOCCOCHARBO for 240,000 tons of coal from Pays des Galles, which began to be delivered in September 1982.

The industries' interest in coal conversion was motivated by the need to economize through lower energy costs. It is clear that in order to achieve this conversion, most of those units (power plants and cement plants, essentially) are forced to make large investments that are very costly at times. But in return, they had expected certain advantages from the state, which is itself benefiting from a lighter energy bill in terms of currency savings.

Among these advantages, users asked that coal be aligned with oil products for tax purposes. This has been done in part, since the customs duties for this fuel, which were set at 10 percent, have been eliminated on 15 August 1983.

After ONE, two cement plants with a coal history followed suit: CADEM in Meknes with an addition of anthracite from Jerada in mid-1982, and then with imported petroleum coke and coal in 1983, and LAFARGE in Casablanca starting in June 1983.

The annual consumption of the cement plants is about 100,000 tons for CADEM (one-third coal and two-thirds petroleum coke, an oil refining residue) and 80,000 tons for LAFARGE.

Burner heat for coal is nearly 40 percent cheaper than for oil, points out Mr Aouad, who adds that "the difference is likely to increase with the reduction of the special importation tax at the beginning of the year. This difference would have been greater if our harbor infrastructures had not been limited and had followed the trend, as I will have an opportunity to mention later, when we will discuss this problem, which I consider vital and which is a serious shortcoming."

Future Conversions and Harbor Problems

The million ton objective is for next year, although some people did not believe it, just as they did not believe that Morocco would import 250,000 tons in 1983.

But let us scan the prospects for the future before examining the means to be implemented for achieving them.

We have already mentioned the conversion of the two generators, III and IV, at the Mohammedia Power Plant, which will have an annual consumption of 700,000 to 800,000 tons, nearly one-half of it beginning in 1985, since the starting date and tests are planned for the second half of the year.

In addition, there are the cement industry conversions, with:

The Agadir Cement Plant which in the process of converting, and which will in principle start using coal next October, with an annual consumption of 60,000 to 90,000 tons.

The Oriental Cement Plant (CIOR), which will operate with coal starting in 1985 with an annual consumption of nearly 150,000 tons.

The Tangier and Tetouan Cement Plants, which have confirmed their intention to convert to coal during the second half of 1985, with nearly 50,000 tons per year.

Others will probably also follow the trend, ASMENT at Temara and ASMAR at Marrakech, which have just started consultations for a coal plant and are also studying the possibility of conversion to gas from Meskala, CINOUCA (LAFARGE II), and so on.

Adding it all up, we come up with a figure of nearly 1.5 million tons at the beginning of 1986.

The rapid increase in importations we have experienced, requires logistics that will keep up with it, and that is our weakness; by logistics, I mean the harbor infrastructures.

Up to now, we made do with on-board facilities, and I would say that it has been a real achievement to have unloaded nearly 250,000 tons in Casablanca in 1983, with equipment that is not appropriate for such quantities, and with a channel depth limiting loads to a maximum of 15,000 tons.

This results in freight overcharges and harbor waiting times which we unfortunately have to pay in currency.

Beginning last year, we had to direct some coal and coke qualities toward Nador and Tangier to relieve the load on Casablanca. But the problem threatens to worsen if urgent steps are not taken by Equipment.

Plans had been made to add to Casablanca's installations and turn Mohammedia into a coal harbor as part of its expansion. The responsible agencies opposed this approach on the grounds that coal is polluting for this small tourist and recreational town.

The selection then fell on Jorf Lasfar, to install a coal terminal alongside its phosphate and other chemical product piers. Studies have been carried out since 1982 to equip the terminal with superstructures that could receive up to 40,000 tons in a first phase, and that would be ready at the same time as the power plant in 1985. But the final choice of equipment has not yet been made, leading to the assumption that the terminal will not be operational before 1986. The timing with the power plant's start up will certainly not be successful.

But what solution can be expected in such a situation? Mr Aouad continues: "Anything is possible as long as you have the will and the means. If it was possible to rebuild the Hotel Casablanca in 100 days, why not the Coal Pier at the Port of Casablanca in 300 days? In any case, we at SOCCOCHARBO have raised the question and suggested rapid and inexpensive solutions to those in charge at Equipment and at ONCF, which is also involved, to assure the transportation of these large quantities of coal to various users, and to provide a stopgap measure until the country is equipped with a real coal terminal."

In this light, Casablanca is in a position to bear a traffic of more than 1 million tons per year with a pier redesign, higher performance unloading equipment, and why not, with dredging to increase its channel depth. SOCCOCHARBO, in collaboration with RAPC, has been seriously studying this alternative for the past few weeks. I would like to hope that this will succeed soon, because we are finding the harbor agencies increasingly sympathetic, and I remain optimistic.

As for us, we will act accordingly independently of circumstances, to supply Mohammedia from Casablanca while awaiting Jorf Lasfar. We will be there in time, and we will succeed as soon as ONE gives us the green light," concluded Mr Aouad.

11,023

CSO: 4519/125

BRIEFS

SPAIN-MOROCCO HEALTH AGREEMENT--Rabat, 7 April (MAP)--A Moroccan-Spanish cooperation agreement in the area of health was signed here Friday by the two countries ministers of public health, Dr Rahali Rahal and Mr Ernest Lluch Martin. The agreement provides for the granting of Spanish scholarships to civil servants of the Moroccan Ministry of Public Health for their further training in Spain and the setting up of a working group stemming from the Joint Moroccan-Spanish Commission that will meet next May to explore the possibilities of creating companies for the manufacturing and marketing of pharmaceutical products and medical equipment. [Excerpt] [Rabat MAP in English 1216 GMT 7 Apr 84]

CSO: 4500/56

CHAMBER OF DEPUTIES PASSES 1984 SUPPLEMENTARY BUDGET

Tunis LE TEMPS in French 18 Mar 84 p 2

[Text] Le Bardo (TAP)--The Chamber of Deputies resumed its work yesterday, continuing its examination of the proposed supplementary budget for 1984.

During the session, which was presided over by Mahmoud Messadi and attended by several members of the government, the Chamber commenced its discussion of the budget, article by article, with a total of 29.

Following the unanimous and uncontested adoption of Article 1 concerning the increase in the overall amount of taxes, duties and receipts, whose collection is authorized by the budget, as well as of Article 2, regarding the increase in credits reserved for regular expenditures, the Chamber moved on to its examination of the article on the special solidarity tax (CES).

During the discussion of this article, two deputies spoke, the first on the tax exemption for farmers and the second on the increase in the special solidarity tax.

Responding to these speeches, Salah Ben M'Barka, minister of finance, pointed out that the agricultural sector already enjoys tax incentives in the form of the direct tax, customs duties and fuel taxes. However, with respect to taxes on revenue from production, he added, it was deemed fair to make farmers bear a modest portion of the tax burden, subjecting them to the a tax whose rate is between 3 and 6 percent of the total income from agricultural production, in a concern for solidarity between the different categories of citizens.

The minister stated that all receipts from the agricultural tax do not exceed .9 percent of that sector's GNP.

When put to a vote, the article was unanimously passed, although there were 7 abstentions.

Articles 4, 5 and 6 on the tax on alcoholic beverages were unanimously adopted.

Article 6 attracted the attention of two deputies, one of whom wondered about the possibility of increasing the share going to viticulturists from the sale

of their products and the other asked whether the increase affecting alcoholic beverages will be applicable to hotel and tourist establishments.

In his answer, the minister of finance said that in addition to the share coming to them directly from the sale of their products, viticulturists benefit indirectly from credits allocated by the government to the vineyard fund.

He also stated that this tax on alcoholic beverages will be applicable to consumption in hotel and tourist establishments, in keeping with the desire expressed by members of the parliamentary committee during their examination of the proposed budget.

Articles 7, 8, 9, 10 and 11 on the same question were unanimously adopted.

Article 12 instituting a tax on travel abroad did give rise to speeches by several deputies, however.

The latter mainly wondered about terms for the application of the article, as well as exceptions provided benefiting certain categories of citizens.

Guaranteeing Tax Receipts

Explaining the provisions of this article in detail, Salah Ben M'Barka noted that the new tax will be applicable to residents, whether Tunisian or foreign, with the exception of students and Tunisian workers abroad who leave Tunisia for the first time to go to their place of study or job.

Also exempted are pilgrims and persons going abroad for medical care for the first time.

Concerning proposals made by certain deputies to extend the exception to other professional categories such as newsmen and businessmen, the minister said that it had been deemed necessary at the time the text was drafted to see that exceptions would involve only cases of absolute need, this for the purpose of guaranteeing the anticipated tax receipts.

Ben M'Barka also said that this new tax will be permanent because, he noted, in addition to its effects on government receipts, it makes it possible to achieve greater justice among citizens, insofar as it indirectly affects persons who are well off.

Next, and upon the proposal of the minister of finance, it was decided that the tax would go into effect on 29 March, following which Article 12 was unanimously adopted.

Turning to the debate on Article 13, which provides for the placing of this tax on any air or maritime travel in the form of a tax stamp, the deputies who spoke emphasized the Maghrebian orientation of this article, which exonerates land travel from this type of tax. They also proposed that all precautions should be taken to ensure the availability of stamps and that application of the stamp in question on passports should be avoided. One of the

speakers emphasized the existence of three categories of passports (special, regular and diplomatic) and inquired into the category concerned by Article 13.

In response to these questions, the minister of finance pointed out that the use of passports for the stamps will be temporary. Stamps will be placed on the embarkation slips issued by the police.

The availability of stamps will be guaranteed, the minister added. These stamps will be deposited along with receipts from places where tobacco is sold and from exchange departments.

Salah Ben M'Barka then said that the new tax will be applied to all persons, whatever their rank in the hierarchy of responsibilities.

Following passage of this article, the Chamber of Deputies began its debate on the following article, which sets the amount of the tax on foreign travel at 30 dinars.

Among the deputies speaking, some proposed the revision of this sum based on a concern for social equality, the social situation of travelers and the application of a formula of percentage considering the number of trips made, the reason for the trip and the cost.

In his answer, the minister of finance pointed out that the institution of this new tax and its current amount was based on its financial effect and the revenue it would provide for the government's budget.

Nevertheless, an effort will be made to revise the tax out of an overall concern for equality and social justice.

Halting Importation of Luxury Products

When Article 14 was submitted for a vote, it was passed by a vote of 62 to 3, with 6 abstentions.

The following article enumerates the persons exempted from the tax. The deputies who spoke during the debate recommended that other persons benefit from the exceptions provided by Article 15, to wit, newsmen, considering the importance of their missions abroad, athletic teams, cultural delegations and persons accompanying those seeking medical care. One of the deputies proposed the outright elimination of any kind of exception. In his answer, Salah Ben M'Barka noted that use of exceptions provided for in Article 15 is retained for urgent cases and those involving need. The minister also emphasized the financial incidence of the article once again, observing that most persons not concerned by exemptions are taken into consideration through the organization that sponsors them by paying the cost of their travel.

Following passage of this article, the deputies examined Article 16. One of the speakers indicated that the provisions of the article result in a double taxation of corporate profits.

This tax, Ben M'Barka responded, is not considered as a production expense and consequently cannot be exempted from taxation.

When subjected to a vote, Article 16 was unanimously passed.

The following article was also adopted, recommending the institution of an additional tax on luxury items.

With respect to this article, which sets the rate of this tax at 10 percent, certain speakers proposed an increase in the tax and recommended more efforts to halt the importation of luxury items.

Such duties, the minister of finance said, are an additional tax joining an old tax still in effect.

The actual rate to be applied varies between 69 and over 400 percent, he added.

After passing Articles 18, 19 and 20, the deputies undertook discussion of Article 21. One of the speakers reiterated "an old proposal" relating to revision of the FCR formula for automobiles belonging to workers formerly working abroad, recommending the institution of a new tax.

In his answer, the minister of finance revealed that a decision had been made on the review of this question and the application of Tunisian registration to such vehicles. The following article provides for the creation of an additional tax to be applied on any registration operation in Tunisia of such vehicles.

One of the speakers expressed his disagreement with any new tax on motorcycles which, he said, are used by the lower-income classes and he proposed the outright elimination of this category of taxation.

The minister of finance accepted this proposal. A slight change was made in this article, however, stipulating the institution of an additional tax applicable to large motorcycles.

Following the adoption of Article 23, the deputies turned to the content of the following article, pointing up the importance of incentives given to the agricultural sector by the government in order to enable it to fulfill its mission in the national development effort.

One of the speakers said that the provisions of this article were proposed by the members of the finance and planning commission in order to lighten limitations affecting work and farm production.

When submitted to a vote, the article in question was passed, with two deputies abstaining.

Balanced Receipts

The Chamber then moved on to discussion of Article 25 on tariff duties.

One deputy wondered about the effect of an increase in these import duties on the cost of industrial production, to which the minister of finance responded that such effects would be minimal, especially with regard to imported capital goods. Like Article 26, this article was also adopted unanimously.

Article 27, concerning abrogation of the provisions of Article 87 of the budget of 30 December 1983, was unanimously passed. The same is true of Article 28, which provides for the allocation to the General Compensation Fund of 8 million dinars from the special solidarity tax.

Article 29, in contrast, gave rise to several speeches. The deputies who spoke recommended avoiding new increases in the price of grain and by-products in the course of 1984 and seeking other sources of financing in order to cover the deficit of the Compensation Fund.

Responding to these speeches, Ben M'Barka emphasized that the report submitted by the government to the parliamentary committee states that this supplementary budget was drafted based on an increase in the price of bread and meat so as to amass the sum of 9 million dinars and thereby balance the receipts and expenses of the General Compensation Fund.

Following these answers, the Chamber passed the last article with five votes against it. When submitted for a vote, the supplementary budget was adopted as a whole with two abstentions.

Following adoption of the proposed supplementary budget, the deputies took up the examination of the bill concerning amendment of Law No 114 of 30 December 1983 concerning the development budget for fiscal year 1984, in three articles. The first provides for a reduction in the overall package of program credits of the government and government departments from a total of 785,895,000 dinars to 780,288,000.

The second article recommends a drop in credits allocated to development spending in the government budget from 924,000,000 to 914,000,000 dinars.

The third and last article provides for a reduction in payment credits and committed credits relating to development spending in the government budget as follows: budgetary commitments, a reduction from 155,000,000 to 128,000,000 dinars; payment credits, a reduction from 924,000,000 to 914,000,000 dinars.

Deputy Ahmed Chtourou was anxious to congratulate officials from the Ministry of Finance for their efforts to draft these bills submitted for the examination of the Chamber of Deputies.

Speaking in turn, Ismail Khelil stressed the efforts made by the government for the country's economic and social development, especially in the field of employment. Documenting his remarks with figures, the minister emphasized the importance of projects adopted for the purpose of ensuring the creation of new jobs.

In this connection, he announced next Monday's review of the integrated rural development program by the technical committee.

The minister then stressed the importance of this program, which will be carried out thanks to the financial aid of certain Arab funds, which will have a positive effect on the employment of young people and on improving the living conditions of many citizens.

When submitted to a vote, this bill was passed.

11,464

CSO: 4519/138

PROCEEDINGS OF CHAMBER OF DEPUTIES REPORTED

Paris LE MONDE in French 21 Mar 84 p 5

[Article by Michel Deure: "Measures Passed To Aid Employment and Youth"]

[Text] Tunis--On Saturday, 17 March, the Chamber of Deputies passed the supplementary budget which resulted in cancellation of the increase in the price of bread and grain products initially included in the budget.

The measures drawn up to compensate for the 106 million dinars (1 dinar = 11.4 francs) which that decision cost (LE MONDE, 9 March) avoid basic products and, according to the government, their impact on the price index would be limited to 2.36 percent. While the poorest population groups should not suffer too greatly, the measures would probably be hard to bear for many Tunisians who are not truly wealthy but whose standard of living has steadily improved in recent years and whose needs have also grown.

This mobilization of additional receipts involves, among other things, the increase in the special solidarity tax (an additional 20 percent for the license, 5 percent for wages in particular), an increase in import duties on so-called luxury items (some will go as high as 400 percent), the institution of a 30-percent tax on travel abroad and on the adjustment of the prices of some products, including wines and spirits, which will be as much as 118 percent higher. This will undoubtedly satisfy the supporters of a stricter application of the principles of the Koran, but will not help tourism! Fuel and tobacco prices had already been increased in February. In addition, there will be reductions in some government spending.

The government also passed a whole series of provisions on employment and youth, a large part of whom, often out of work, went out into the streets in the December and January riots. Some 50,000 jobs are to be created this year, compared with 43,000 in 1983. An increase of 19 million dinars in the initial budget was provided to finance rural development programs and the opening of new national and regional projects. Some 13 million dinars will be allocated for youth employment, especially young people residing in communal rural areas, for their training and apprenticeship.

This concern for improved integration into the different sectors of activity of young people who, often feeling excluded from the new society, tend to reject it with increasing virulence, if not violence, has been expressed over

and over by the government, especially in the past two months. Only recently, in installing the new director of the Destourian Socialist Party in office, Prime Minister Mohamed Mzali greatly emphasized the need to coordinate "the ideas, programs and choices, on the one hand, and young people and their concerns, on the other."

Guiga

Before ruling on the new budgetary provisions, the Chamber of Deputies had designated from among its members the four judges and their three alternates who will sit on the High Court of Justice to judge the case of former minister of interior Driss Guiga, who is still abroad, and some of his collaborators (LE MONDE, 15 March). In a message addressed to the deputies explaining the reasons that led him to bring Guiga before that jurisdiction accused of high treason, President Bourguiba stated that the latter had "deliberately fallen into error."

"In placing his personal interests over the country's higher interests," he said, "he knowingly did harm to the country and to the prestige of the government." In that document, which recounts the "bread riots" at length (official figures show 84 dead and 938 wounded, including 590 civilians and 348 members of the forces of law and order), he stated in particular that "the command of the police forces deliberately paralyzed the action of its officers" and that "the main responsibility lies with the former minister of interior." (These conclusions are taken by Bourguiba from the report of the investigative commission set up after the riots.)

Speaking subsequently and while asserting that the referral of this matter to the courts "does not stem from any search for a scapegoat or vengeance, but from a position on history," Mzali stated the accusations: "Men in power used their positions to sow disorder and push the chief of state to change the current government," he said in substance, going on to denounce the "conspirators" who used the people's anger when they were in a position to prevent it.

The prime minister drew a parallel between the explosion at the beginning of the year, "which was not an economic but political crisis," and the social unrest of 1977 preceding the bloody events of 26 January 1978 aimed at undermining the regime. However, not only did he not question the leadership of the workers' federation, the General Union of Tunisian Workers (UGTT) already established for 6 years, but he expressed satisfaction with its latest positions against the recent wildcat strikes that broke out in different sectors. The labor leaders, challenged more and more openly by young trade unionists, have in fact decided that no trade union sector could henceforth call a strike without the consent of the Executive Bureau, which has sole power to rule on their timeliness.

11,464

CSO: 4519/138

TUNISIA

SEIZURE OF AL-MUSTAQBAL, AL-MAGHRIB AL-'ARABI DENOUNCED

Tunis AL-WAHDAH in Arabic 3 Mar 84 p 3

[Article: "Authorities Seize Two Editions of AL-MAGHRIB AL-'ARABI and One Edition of AL-MUSTAQBAL Illegally"]

[Text] The colleague members of the editorial staff of AL-MAGHRIB AL-'ARABI announced in a press conference they held last Monday that they are compelled to suspend the publication of their magazine temporarily in light of the seizure of the paper in the printing press for the second time in 2 successive weeks (editions No 90 & 91) without giving the paper staff any document explaining this measure which has no legal basis other than the excuse of the absence of the "paper's manager." This is in addition to the police raid on the offices of LE MAGHREB on 24 February 1984 and to preventing anybody from entering the offices.

The seizure has cost the paper's budget a loss of nearly 11,000 dinars, in addition to the subsequent layoff of the paper workers and to depriving the paper readers of their right to information from the source they choose.

This week, the government seized the latest edition of AL-MUSTAQBAL at 0300 on Thursday, 1 March, at the offices of its distributor in the capital, according to what we have learned from the paper staff. It seems that the police took the step of seizing the remaining copies from the vendors in the country, according to the information received by the paper management. It seems the seizure is confined to just this edition, as sources of the Ministry of Interior have told one of the paper's officials.

On the occasion of the seizure of edition No 90 of LE MAGHREB, the Tunisian Journalists Association issued a statement saying:

"Once again AL-MAGHRIB AL-'ARABI is subjected to this measure without any legal justification and without the paper management being supplied with any document notifying it of the decision, thus denying the management the legal documents enabling it to take the matter to the judiciary.

"In light of this measure which has been added to similar previous measures, the Journalists Association Bureau denounces the seizure decision and considers it harmful to the freedom of the press and of information, especially since the authorities have failed to find fault with the seized edition insofar as undermining the law or posing a threat to public security are concerned.

"Therefore, the Bureau demands that such practices be stopped and reminds anew of the need to revise the press code so that we may insure for the information sector the conditions of its growth and development and to put an end to the arbitrary abuses and measures."

The family of AL-WAHDAH paper, which has experienced on previous occasions seizure and suspension and has been faced with these unconstitutional practices under the canopy of a law which all of the country's democratic forces agree is an oppressive law that must be abolished in order to serve the freedom of expression guaranteed by the country's constitution, denounces this measure against LE MAGHREB and AL-MUSTAQBAL, expresses to their families its absolute support in the common struggle that combines all the national democratic forces and demands that the authorities concerned stop these oppressive and provocative measures.

8494

CSO: 4504/226

THREE-MONTH SUSPENSION OF AL-MUSTAQBAL DENOUNCED

Tunis AL-WAHDAH in Arabic 10 Mar 84 p 4

Article: "Suspension of AL-MUSTAQBAL for 3 Months Is Another Painful Blow Against Free Press"7

Text The investigation magistrate notified AL-MUSTAQBAL, in the person of its chief editor Said Naceur, last Wednesday afternoon of the decision to suspend its publication for 3 months and to refer it to the courts on the charge of "publishing reports likely to undermine the public order." In accordance with this measure, the AL-MUSTAQBAL was prohibited from issuing its latest edition (edition No 156) which was already in the printing presses.

Thus, AL-MUSTAQBAL is the second paper after AL-MAGHRIB AL-'ARABI and the second paper speaking on behalf of a legally recognized opposition party to be subjected to such a measure in 1984. The first was AL-TARIQ AL-JADID which is still suspended in accordance with a 6-month suspension decision.

Statement From Movement of Socialist Democrats

In the wake of the 3-month suspension of AL-MUSTAQBAL, the Political Bureau of the Movement of Socialist Democrats has issued the following statement:

Since the popular uprising which shook the country at the beginning of this year, oppressive measures and the suspension of independent and opposition papers--the latest being AL-MUSTAQBAL, mouthpiece of the Movement of Socialist Democrats--have been coming in succession. Thus, the regime is avoiding the fundamental solutions needed for the deep-rooted crisis being experienced by its society and is escalating its intransigence, its fettering of opposing opinion and its distraction of the public opinion with general subsidiary issues, failing to understand, despite the harsh experiences undergone by the country in recent years, that the path of intransigence and of oppression is a deadend that exposes the country to more and more serious upheavals that threaten the country's long-range stability and independence.

The Political Bureau of the Movement of Socialist Democrats underscores the retreat from the so-called open-door course and the undermining of the democratic gains, including the freedom of expression which is guaranteed by the constitution. The Bureau expresses in the name of all strugglers its strong protest of the oppressive measure embodied in suspending the publication

of our paper, AL-MUSTAQBAL, for 3 months. It urges all the country's active forces to understand the serious nature of the phase being undergone by our country and to stand united in the defense of democracy and of free expression so as to contribute to crystallizing the alternative and to bring about the change that responds to the masses' aspirations in order to insure the impregnability of the homeland and the dignity of Tunisia. The movement of history will not be impeded by obstacles and barriers.

On our part, we cannot but denounce these measures that undermine the freedom of expression and we demand that the authorities concerned stop such practices and lift the barriers facing public and individual liberties.

8494

CSO: 4504/226

TRIALS, ARRESTS, SUSPENSION OF PAPERS DISCUSSED

Trial of Bechir Essid

Tunis AL-WAHDAH in Arabic 3 Mar 84 p 3

[Text] We have received an explanatory note on the trial of the general secretary of the Arab National Grouping stating specifically:

The ruling authorities have hastened to refer brother Bechir Essid, the general secretary of the Arab Nationalist Grouping Movement, to Tunis Court for trial on 1 March 1984 on a number of charges, namely murder, looting, theft and arson, undermining the dignity of the president of the republic, undermining the the dignity of the members of the government, publishing premeditated false reports intended to undermine public security and distributing leaflets undermining public order and pertaining to the latest events. The charges are made in accordance with sections 42, 43, 48, 49 and 62 of the press law. These are serious charges that entail a prison term ranging from 35 months to 20 years and a fine of 520 dinars up to 9,200 dinars. In declaring this clearly to its supporters, to the people and to public opinion, the Arab Nationalist Grouping Movement urges all the active and democratic forces to unite with it in denouncing this political trial that violates public liberties and that undermines all the political, intellectual and social opposition movements and currents.

On this occasion, we declare to all that our movement's activity continues and cannot be stopped by the government's positions nor by trials or persecution.

Arab Nationalist Grouping Movement

We have also received a statement of support for Bechir Essid signed by 137 citizens who consider this trial a "trial against freedom and democracy" and who demand that the government "stop pursuing and harassing him."

We have also received a statement of denunciation and of support on Bechir Essid's trial saying:

"We, the undersigned,

"After familiarizing ourselves with the full details of the referral to the courts of brother Bechir Essid, the general secretary of the Arab Nationalist

Grouping Movement, and with the accompanying serious charges--we declare our complete rejection of the charges and warn of the serious and inhumane game on which the government departments are trying to embark in order to cover their inability to deal with the new social, economic and political reality emanating from the people in their entirety and embodied by the Tunisian man-in-the-street on 13 January 1984 in his firm, confident and resolute opposition to the irresponsible options.

"Therefore, we declare our unconditional support for the defense of brother Bechir Essid, the general secretary of the Arab Nationalist Grouping Movement, and for every living conscience that has confronted, even if only with the sincere word, the serious current of indifference toward and of tampering with the people's interests."

Total of 115 signatories

Statement by Islamic Movement

Tunis AL-WAHDAH in Arabic 3 Mar 84 p 3

[Text] The Islamic Tendency Movement wishes to inform public opinion and all free men in the country and outside it that it has been subjected for some time to a number of large-scale arrests by the regime. Nearly 60 strugglers and supporters of the movement have been arrested so far and some of them have been subjected to the ugliest forms of torture in an unprecedented manner. The movement defies the regime, which has denied engaging in the practice of torture, to allow a delegation of lawyers, journalists and members of the Human Rights League to examine the deteriorating conditions of those arrested.

Persisting in this present situation and diverting attention to subsidiary issues, such as bolstering "security and stability" with police measures, will lead the country to a dark future in all spheres and the consequences in the future may not be confined to the dimensions of the riots that shook the country recently and they may open the door to other complications and dangers whose extent only God knows.

To create a proper atmosphere leading to forward movement, the Islamic Tendency Movement reaffirms that it will continue its struggle for its right to have a clear, public and legal presence free of the secrecy which the regime wants to impose on the movement with its successive campaigns of terror. The movement has embodied its faith in openness through its successive initiatives, the latest of which has been the announcement of the formation of an information council. The movement urges all its strugglers and masses and all free men to support and back its just demands so that all may contribute to building the Tunisia of right, justice and freedom.

Bechir Essid Before Court

Tunis AL-WAHDAH in Arabic 10 Mar 84 p 4

[Text] Bechir Essid, the general secretary of the Arab Nationalist Grouping Movement, appeared before Tunis Court on 1 March 1984.

He was represented by a large number of lawyers who crowded the court hall. Some of the lawyers came from the republic's interior (Gabes, Gafsa, Bizerte, Garnbalia and Sousse). In addition there were a number who sent their representatives. Prominent attorney Abdelaziz Chabbi, the former dean /of lawyers/ who had not appeared at the Court of Justice for 6 years, came especially to defend the case.

Mohamed Ben Naceur addressed the court, requesting in the name of the defense that the case be postponed for further familiarization and so that (Mansour Cheffi), the lawyers doyen, might be able to attend.

The court postponed its hearing of the case until Thursday, 8 March 1984, to examine the defendant and to hear the statements of the defense counsel.

It seems that the court is eager to issue a decision on the case in one way or another, considering that it has postponed the hearing for a very short period and that it seemed annoyed by the large number of lawyers who came for the defense.

Resumption of Essid's Case

Tunis AL-WAHDAH in Arabic 10 Mar 84 p 4

/Text/ The court convened on Thursday to resume its examination of Bechir Essid's case. A number of defense counsels made their statements and the session was then postponed until next Thursday to hear the rest of the litigation and to issue the decision.

Support for Bechir Essid

Tunis AL-WAHDAH in Arabic 10 Mar 84 p 4

/Text/ In protest of the trial of Bechir Essid, the general secretary of the Arab Nationalist Grouping Movement, and in solidarity with Essid, we have received a number of statements from citizens in Tunis, al-Jadidah, Gabes, Gafsa and al-Hammah denouncing this political trial which is aimed at public liberties, which threatens all the nationalist currents and movements and which is a trial against nationalist thought. The citizens signing the statements have expressed their solidarity with Essid.

The number of citizens signing the statements has amounted to 151 citizens.

Solidarity From Legal Clerks

Tunis AL-WAHDAH in Arabic 10 Mar 84 p 4

/Text/ We have also received a statement signed by 60 legal clerks rejecting the trial, expressing support for Essid and demanding that the trial be terminated.

The signatures on this statement have amounted to 57 signatures.

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CSO: 4504/226

BRIEFS

REALITES, AL-WAHDAH SEIZED--Two new publications have been seized by Tunisian authorities: the independent weekly REALITES and the organ of the Popular Unity Movement II, AL-WAHDAH. The measure, like that affecting the newspaper of the Socialist Democrats, AL-MUSTAQBAL, two weeks ago, was reportedly taken mainly because of the publication of a bulletin of an unrecognized political movement (in this case, that of the Islamic Tendency Movement, the MTI). According to the members of the MTI information committee, the bulletin in question protested the arrests, following the events of January, of Islamic sympathizers numbering about 50. It was also stated in the text that the movement was attached to "legality and the democratic path." [Text] [Paris LE MONDE in French 21 Mar 84 p 5] 11,464

CSO: 4519/138

UN REPRESENTATIVE URGES GREATER ARAB COOPERATION

London AL-TADAMUN in Arabic No 47, 3 Mar 84 p 27

Interview With Dr Riyadh al-Qaysi, Iraq's UN Representative, by Khalil Matar:
"Dr Riyadh al-Qaysi, Iraq's Permanent UN Representative, to AL-TADAMUN: UN Committees Are Numerous and Arab Participation in Them Is Limited; I Suggest That Arab League Hold Annual Conference for Arab UN Representatives Before Start of Annual General Assembly"

Text More than one Arab diplomat in the United Nations view the technical committees emanating from the General Assembly with disinterest, especially the International Law Committee. One of the most prominent Arab figures dealing with this committee and devoting special attention to it has been Dr Riyadh al-Qaysi, Iraq's permanent UN representative. Ambassador al-Qaysi has exerted distinguished efforts to unite the Arab representatives in this committee with the purpose of coordinating their efforts on the various issues as a start for larger-scale and more important future dealings by the Arab group with this committee and others. On this issue, AL-TADAMUN has met with UN Ambassador al-Qaysi and conducted the following interview with him:

Question To start with, we would like you to tell us about international law and about the UN committee concerned with it and to shed light on the rights of every UN member state.

Answer The importance of international law and of the UN committee concerned with it emanates from the fact that whenever any country whatsoever embarks on a step, be it political or military, it always resorts to legal language to justify its action. If the legal aspect of international political behavior is insignificant, as most Arab delegates consider it to be, then why this incessant expression of political behavior through legal channels? This is where the importance of action in the Legal Committee emerges. The Arab group must participate effectively in formulating the legal rules that seek to govern international political behavior.

Question Could you assess to us the outcome of the continuous meetings held by the Arab delegates in the Legal Committee?

Answer The continuous meetings held by the Arab delegates in the Legal Committee during the latest General Assembly session discussed the draft resolutions and the legal provisions included in the committee's agenda. They

also discussed the method we should follow in debating and tackling these provisions during the /committee/ meetings. What is more important than all this is the question of rationalizing the activities of the Arab delegates in the committee.

Question Has Dr al-Qaysi's activity been confined to the issue of the Legal Committee or has it included other issues?

Answer As you know, the Arab diplomat is charged with devoting constant attention to all matters pertaining to his country's issues. Therefore, there is no place for talking about specialization in keeping up with these interests. This is why I have been involved in a gathering other than the General Assembly's Legal Committee. This gathering is the Afro-Asian Legal Advisory Committee. I have been involved in the discussions that have taken place in this committee's meetings.

Question Can you give us an idea about the importance of this Afro-Asian committee?

Answer Through this committee, the Arabs have been able to draw attention to the need to rationalize activities. The committee was also able to draft a working paper comprised of a number of Arab opinions which was adopted by the Assembly. The paper was then submitted to the concerned committee of the General Assembly in an atmosphere replete with a feeling of national belonging. This paper has become an official document uniting many of the Arab brothers delegated by their countries. These brothers called for holding consultations at the beginning of this year with the aim of seeking guidance in organizing the activities of the Assembly as a whole because there is a feeling that the items presented to the Assembly are numerous and intricate. Our activity has always emanated from a pan-Arab premise because we want to build the reputation of the Arab group in the United Nations as a united group.

Question What about the activities of the Iraqi diplomatic mission to the United Nations? Is there coordination with the other Arab diplomatic missions?

Answer We work as a single hand in the UN lobbies and there is a climate of understanding and coordination among the various Arab diplomatic missions. Moreover, I tried, amidst this climate which is distinguished by a spirit of cooperation and in participation with a number of the Arab brothers representing their countries, to draft a number of resolutions which were submitted to the heads of the Arab countries represented in the United Nations and to their ministers of foreign affairs. The fact is that it is essential that the Arab delegates be familiar with the importance of the Legal Committee's activity and with the issues presented. There are abundant legal capabilities in the Arab homeland and I wonder why the opportunity is not given to the Arab League, for example, to hold an annual meeting for the Arab representatives in the Legal Committee before the start of the ordinary session of the General Assembly so that they may review all the work awaiting them, and with members of the Arab International Law Committee attending the meeting so that they may be familiarized with the provisions, with their rationale and with their objectives.

Question How do you assess Arab diplomatic activities in the United Nations?

Answer The prevalent opinion regarding Arab diplomatic activities in the United Nations is that they have not been properly utilized so far. To benefit from these activities, coordination and rationalization must be first established so as to create the possibilities of reaping the fruits of success at the level of the special Political Committee, the Disarmament Committee, the Economic Committee and the Financial Affairs Committee. The Arab meetings in the United Nations should be at the level of ambassadors and higher levels to reflect the climate of Arab understanding in the UN lobbies to the internal circles influencing these countries and to achieve Arab consensus on the same Arab issues. I do not know what we lack. We have the money, we have the capabilities and we have a regional organization, namely the Arab League. If it is possible to agree on the partial issues and on the details in these technical spheres, then this will lead to bringing about the proper climate for agreement on the political issues.

Question In your opinion and through your experience in Arab diplomatic action, what are the spheres for developing Arab expertise in the field of international law and of utilizing the United Nations and other international organizations?

Answer In addition to the United Nations and other international organizations, there are numerous possibilities to be utilized in this sphere, the most important being the possibilities of making use of the international symposiums held in the legal sphere within the framework of the UN programs, especially the symposiums organized by the UN Research and Training Institute, as well as the symposiums of the International Law Committee and the symposium of the UN Committee for the International Trade Law. There are also the programs for aid and training in disseminating information on international law and the programs of the International Academy for International Law in the Hague. Even though the latter is not a part of the United Nations, it is tied to it.

Question What are the possibilities of utilizing these organizations and committees within the framework of boosting Arab diplomatic activity?

Answer The Arab countries can constantly seek to nominate persons to make use of the facilities granted to the third world countries to attend such symposiums. Moreover, the Arab countries, especially the financially capable countries, can send individuals to attend these symposiums at their own expense, thus spreading the knowledge gained.

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CSO: 4404/387

PARIS WEEKLY INTERVIEWS IRAQI DEPUTY LEADER

PM141647 Paris LE NOUVEL OBSERVATEUR in French 9-15 Mar 84 p 36

[Interview with Iraqi First Deputy Prime Minister Taha Yasin Ramadan by Sibton; date and place not given--owing to apparent typesetting error the first part of this interview is not published]

[Excerpts] [passage omitted] LE NOUVEL OBSERVATEUR: Let us discuss the reasons for this war. It was you who launched it in 1980. You thought that Iran had been weakened by the revolution, that its army had been disbanded, that you would win easily, that you would perhaps capture the Iranian oil fields, and that you would thus become a great power. You were mistaken. Do you now admit your mistake?

T. Y. Ramadan: Your analysis is not entirely accurate. It was not me who started the war. Iran did not want to implement the border agreement on Shatt al-Arab. Then, when Khomeyni came to power, they bombed our cities. That was how the war began. We did not covet Iranian territory. From the first day we called for peace and agreed to withdraw to the international borders.

LE NOUVEL OBSERVATEUR: In short, you do not think you made any mistake when the war started.

T. Y. Ramadan: None.

LE NOUVEL OBSERVATEUR: Whatever your verdict on Khomeyni, Iran is at present in the throes of a revolution. Any country undergoing a revolution benefits from popular enthusiasm and great energy in a war. That has always been the case in all countries after a revolution. In Iraq, however, you have a fairly stable regime and your mobilization capability is smaller. Is that not a major handicap for you?

T. Y. Ramadan: No. You must not forget that there is a very powerful and well armed opposition to Khomeyni. Dozens of opponents are executed every day. Moreover, look at the facts: Our territory is one-fifth the size and our population one-third as big as theirs. Our Syrian neighbour which, as an Arab country, ought to support us, has formed an alliance with Khomeyni. Israel is with Iran, too. Despite everything, we have been resisting on our borders for 4 years. I cannot see the irresistible revolutionary Iran which you describe.

Their only advantage, if I may say so, is the illiteracy they inherited from the shah--the highest illiteracy rate in the region--which enables them to send tens of thousands of very religious wretches to their deaths. It is no accident that the Iranian universities have been closed for 4 years. It is to maintain the country's backwardness.

LE NOUVEL OBSERVATEUR: Is the war not only between the Persian and Arabs, but also between the fundamentalists and laymen?

T. Y. Ramadan: I would say that it is Khomeyni's war against progress. Secularity in our country does not mean the same as in Europe. Our party is non-religious, but we build many more mosques than the religious parties.

LE NOUVEL OBSERVATEUR: To end the war Khomeyni is quite simply demanding the departure of your President Saddam Husayn. Rather than allowing Iraq to be crushed, and the enemy to invade Baghdad, why not oust Saddam Husayn to end the war? He is just one man.

T. Y. Ramadan: Let us pretend I did not hear your question. But, tell me, if one of France's neighbors demanded that you replace your president by another, what would the French think? If you gave in, do you not think you would have lost your sovereignty and freedom? Khomeyni does not have anything personal against Saddam Husayn. He wants to dominate our country.

LE NOUVEL OBSERVATEUR: Would you try to assassinate Khomeyni?

T. Y. Ramadan: We have no such intention.

LE NOUVEL OBSERVATEUR: If Khomeyni died, it would not be a bad thing for you.

T. Y. Ramadan: Khomeyni represents a certain section of Iranians. There is no doubt about that. Nonetheless there is no doubt that Khomeyni's death will have very important effects on Iran. The internal conflicts will grow. Excuse me, but I must go.

LE NOUVEL OBSERVATEUR: One last question. When a country like yours is threatened with destruction or defeat, does it feel protected by its allies and friends, or does it simply find that it is alone? Is it not basically alone?

T. Y. Ramadan (quietly): What you say is true.

CSO: 4400/212

CROWN PRINCE ON MIDEAST ISSUES

Paris POLITIQUE ETRANGERE in French 4th Quarter 83 pp 947-949

[Interview with His Royal Highness Prince Hassan Bin Talal, brother of King Hussein, heir to the throne, by Dominique Moisi, date and place not specified]

[Text] [Politique Etrangere] In the troubled current context in the Middle East, can one once again speak of a Jordanian option?

[Prince Hassan] All the Middle East peace plans, whether it be Camp David, the Reagan plan or the Fez plan, use a common language which has, in fact, been overtaken by reality. And the reality today is a de facto quasi-annexation by the Israelis of the territories occupied since 1967. If a middle position is not clearly defined, it will be very difficult for the interested parties, particularly Jordan, to make progress in a peace negotiation. It is up to the United States to play this role as intermediary; it is up to them to define this middle position. If the United States plays this role, we are ready for peace initiatives. We have repeated over and over to the PLO leadership that its legitimacy springs essentially from the support it enjoys in the occupied territories. The PLO has too long claimed to be an "international conscience" with no precise commitment with regard to international resolutions such as United Nations resolution 242 or 338, which it refuses to recognize:

For its part, Jordan would not know how to remain passive when the status of the Arabs in the occupied territories is reduced to that of just exploited minorities and West Bank is totally dependent economically on Israel.

If one envisions the revival of a Jordanian Palestinian role, everything depends on how the PLO gets out of its present difficulties. Will it become a toy, manipulated by Syria, for example? In the coming months, will the Palestinians accept working jointly with Jordan in order to revive a common peace effort?

Certain elements of the PLO continue to reject the Fez plan because it implies recognition of Israel and likewise recognition of a legal role for Jordan in the territories, a role which was taken away from it in 1974 at the Rabat summit.

Jordan does not want to manipulate anyone, but neither does it want to be manipulated by anyone. Without the support of the Palestinians themselves, there would be no realistic way for Jordan to take any peace initiatives. The year 1984 will be decisive, since the situation in the occupied territories continues to evolve in a worrisome manner.

[Politique Etrangere] How do you assess the position of the United States today?

[Prince Hassan] In September 1982, the Reagan plan represented a digression of hope. Jordan had the feeling that the United States had finally decided to address the central question: the Palestinians. Alas, the developments in Lebanon pushed the United States to return to a strategic approach in strictly East-West terms in this region. This impression is confirmed by the recent visit of Prime Minister Shamir to Washington. We are forced to note that all our attempts to put the accent back on regional problems since last April's breakdown of negotiations between Jordan and the PLO have been rendered ineffective by the shift of priorities in Washington. We are extremely worried by the fact that the occupied territories and their inhabitants are mentioned more and more rarely, and talking to Washington about simple improvements in life in the territories can only mean making the Israeli occupation more permanent. This is not how we understand the discussions on autonomy. Even if Jordan is ready to try to pursue its dialogue with the Palestinians and with all those who, in the Arab world, are searching for the stabilization of this region, current developments are not going in the direction of those in the Middle East who are favorable to the United States.

[Politique Etrangere] If we go on to the other superpower, the USSR, how do you see its role in the region, today and in the future?

[Prince Hassan] The aggravation of the East-West conflict and the argument over Euromissiles have been translated in the Middle East by a hardening of the Soviet Union's positions. Moreover, one would not expect the USSR, which shares a common border with Iran, which is present in Afghanistan and has a defense treaty with Syria, to watch passively while the United States reinforces its military presence in Europe and talks of strategic alliance with Israel in our region.

In this strained situation, Jordan has tried to simultaneously maintain an open dialogue with both Washington and Moscow. It is essential that any peace process be ratified by the USSR; even the United States cannot help but hope for such a ratification. In terms of peace initiatives, the USSR's role up until now has been essentially passive. Any polarization in the region is in itself a danger and limits the maneuverability of the countries in this area.

[Politique Etrangere] How do you see the role of a country like France and how do you assess the positions taken by France, particularly in Lebanon?

[Prince Hassan] In the current context, any intermediate position is welcome. I think that France understands that a dialogue concerning the Lebanese conflict is necessary between the European capitals and Damascus, that a need for dialogue likewise exists among the different Lebanese factions. The French also played a very positive role recently in Tripoli in the evacuation of the PLO leaders. But France alone cannot succeed if a sufficient degree of understanding does not exist among the different Western capitals.

[Politique Etrangere] When you tell us that France alone cannot really succeed in the region, are you referring to Europe's role? Are you hoping for the return of a European initiative in the spirit of the declaration of Venice?

[Prince Hassan] That is precisely what I mean. We considered with great interest the initiative of President Mitterrand arriving in Beirut shortly after the attack on the French and American forces. That was a statesman-like gesture, symbolizing France's commitment to the stability of Lebanon. But we also think that a joint effort by the European community is indispensable.

[Politique Etrangere] What are the elements which seem most worrisome to you in the current context? And conversely, are there reasons for hope in the Middle East?

[Prince Hassan] The search for political solutions according to strategic criteria, at the expense of an understanding of the people's aspirations, is what seems most worrisome to me.

If one is to imagine some hope for the future, it is in the recognition by the Western powers that it is not necessary to have a large population like Egypt or great petroleum wealth like Saudi Arabia to play a role in the region. It is likewise to be hoped that Iraq and Iran will put an end to their conflict so that attention can again concentrate on the real problems of the region. I also hope that the moderation of liberal Jewish thought which still exists in the world will exercise an influence on Israeli decisions.

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CSO: 4419/6

LEBANON

CONTINUED INSECURITY CAUSES EXODUS OF CAPITAL, COMPANIES

London AL-TADAMUN in Arabic No 48, 10 Mar 84 p 62

[Article by Ibrahim 'Awadah: "The Exodus to Neighboring Countries Continues, Represents the Most Serious Attrituion the Lebanese Economy Has Known"]

[Text] The stock exchange recorded even higher levels of existing Lebanese national companies and capital flight especially to European countries. Fore-most amongst these were Switzerland and Greece, but a large part of this capital is now concentrated in the cities of Cyprus due to geographic and economic reasons.

Statistics of business organizations in Lebanon, especially the Beirut Chamber of Commerce and Industry, which today is considered one of the most important centers for information in Lebanon, demonstrate that the exodus of Lebanese capital abroad increased from the start of the final quarter of the past year and continued at these high levels up to the beginning of 1984. This is contrary to the earlier expectations that prevailed at the start of this year and which seemed to give assurances that Lebanese capital held abroad would quickly return in the first quarter of this year, in part because of the political and economic difficulties Lebanese investors encountered in the new investment markets, to be precise, in France, the Arab Gulf states, and the American continent.

Figures of the Beirut Chamber on this subject indicate that the exodus of Lebanese firms was directed especially to the chief cities of Cyprus for many reasons. The most important consideration is Cyprus' proximity to Lebanon, which enables the emigrant firms to have rapid, direct communications with the Lebanese market and its principal centers in Beirut. Seven financial companies have relocated in Cyprus during the last 6 months. These firms work in the "discount" market where they facilitate throughout the world financial transactions on behalf of thousands of Lebanese emigres, via Cyprus. They have held nearly 400 million Lebanese lira. Likewise five Lebanese insurance firms have announced their intention to open central offices in Cyprus in addition to their headquarters offices in Beirut, due to security reasons. The working capital of these firms is estimated at 200 million lira.

These data add that the largest Lebanese export-import firms have set about opening back-up offices in Cyprus and Greece to support their main Beirut offices. These will handle the transactions of Lebanese merchants who are

forced to export or import through Cypriot or Greek ports in difficult security times in Lebanon which increasingly cause the shutdown of the Beirut international airport and Beirut port. Likewise some of these companies have set about opening offices in the Israeli port of Elat.

These data also indicate the existence of more than 20 Lebanese travel agencies in Cyprus and Greece and another 5 in France. These are firms which have been recently founded within the context of the exodus of Lebanese firms abroad. These companies assure the transfer of Lebanese emigres through Larnaca airport or Cypriot ports to other countries of the world, especially to Europe. The business of these offices on the eve of the fighting in the Shuf mountains last summer increased greatly when Beirut international airport was shut down for a 45 day period.

Information from businessman's organizations reveals that the rate of Lebanese capital flight abroad has risen since the beginning of 1984, in particular in mid-January when military operations began in the southern suburb of Beirut and then spread to West Beirut and to the western al-Shahar district at the beginning of February. With the report of the possibility of the development of unfavorable security circumstances in non-Lebanese areas, there occurred a financial and economic panic that was reflected in a new and rapid exodus of capital to other countries, especially to the U.S. and a number of European countries, especially Switzerland. Reliable banking and financial data show that in January and February huge amounts of financial transfers from Lebanon abroad occurred. This is estimated at 3 billion Lebanese lira belonging to the financial and economic centers of a certain Lebanese sect.

Lebanese businessmen's organizations estimate the volume of Lebanese investments abroad up to mid-February 1984 was nearly 6 billion Lebanese lira, or the equivalent of the annual Lebanese state budget. That is a high figure and an influential factor in the Lebanese economy. That is a figure which, if it were applied to investments in Lebanon, would help greatly in rectifying the economic situation in general, in stimulating the economy in light of the many dangerous problems that hamper the revitalization of all the Lebanese economic sectors without exception, and thereby lightening the current deficit in the Lebanese balance of payments which at the end of 1983 amounted to nearly a billion Lebanese lira.

Finally the businessmen's organizations consider it unlikely that Lebanese capital abroad will return shortly to Lebanon. This is due to the continuing deterioration of the security and political situations, particularly after the latest political and security developments that followed the fighting in the southern suburbs, West Beirut and western al-Shahar district, fighting that spawned dangerous political apprehension about the future of the Lebanese state as a whole.

These organizations do not consider it unlikely that the scope of this exodus of capital abroad will grow wider in the event that no speedy or final solution is found for the Lebanese crisis because capital, by its nature, seeks out safe employment which is far from dangers. At the moment at least that is a situation that is not found in Lebanon.

9587

CSO: 4404/364

ECONOMIC RECOVERY PLANS SHELVED DUE TO FIGHTING

London AL-TADAMUN in Arabic No 48, 10 Mar 84 p 61

[Text] The fighting in West Beirut, its southern suburbs, and the western Shahar district that occurred between last 2-15 February took the Lebanese economy by surprise and sent it into a tailspin after a wave of optimism had prevailed in local financial and economic circles since the beginning of 1984. These circles, had planned that this year would be a year of economic recovery. Indeed, all the indicators--up to the beginning of the renewed fighting in February--seemed to show that the year 1984 would witness the start of the rebuilding of the Lebanese economy in contrast to the many extreme blows it had suffered during 1983, especially the fighting in the Shuf mountains. The government had taken important steps to achieve the economic recovery. Shortly before the renewed fighting, on 18 January 1984 the Lebanese cabinet decided to form a ministerial committee under the chairmanship of the minister of foreign and expatriate affairs, Dr Elie Salim. The committee was charged with the task of stimulating the economy and to lead it out of the stagnation that has afflicted various sectors of the economy.

At the same time the private sector in turn began to take up its responsibilities in sharing in the execution of the recovery plan which the state had drawn up. There were increased meetings and contacts between the different economic sectors to ensure the closest possible coordination and cooperation so as to provide an operation to push the Lebanese economy in a single direction in all of its sectors in an organized and effective fashion.

The sudden fighting in West Beirut, the southern suburb, and the western al-Shahar district in the Shuf mountains surprised the government and private sector people--who had been riding the wave of optimism to push the Lebanese economy forward and to begin reconstruction and rebuilding. The anticipated recovery was obstructed as matters became more complicated and the Lebanese economy once more fell captive to political and security incidents, just as it had during the summer of 1983, early on during the fighting in the Shuf mountains.

The renewed February fighting besides ruining the economic recovery plan, has led to a worsening economic crisis that is afflicting the national economy. This fighting again caused the closure of the Beirut international airport and disrupted work at Beirut port in addition to hurting the economy of the

southern suburbs and it has idled economic instruments in both the private and public sectors. This latest situation was to blame for the paralysis of Lebanese exports, the state's loss of fees on imports, and the halt in production activity throughout the country. In addition it has hurt the movement of trade.

In light of these recent developments that have affected the Lebanese economy, economic observers in Lebanon have become pessimistic about the future of the Lebanese economy, especially since the new fighting this time has taken on the character of the Lebanese government's war of attrition. This means that it will be a long war. Furthermore, its impact will doubtless prolong the general economic situation in the country, which must in turn engage in a war of attrition at a time when it appears that this economy is exhausted and already incapable of sustaining any further blows, or even any further anticipation. This is what the pillars of economic and financial activity fear. They have begun to cast more questions and doubts on the true future of the Lebanese economy in light of the new geographical borders currently being drawn in the land, and the opposing borders which may be indicators of new geographical and political developments which draw a picture of the future state of Lebanon and its economy.

9587

CSO: 4404/364

1983 EXPORT FIGURES FOR NORTHERN PORT CITED

Beirut AL-NAHAR in Arabic 6 Feb 84 p 8

[Text] Exports from the north witnessed a significant decline last year in comparison with 1982. The decline included both Lebanese goods and goods of foreign origin.

The value of foreign and Lebanese goods exported through the north was about 431 million pounds in comparison with 1.081 billion pounds in 1982. In other words, there was a decline of 650 million pounds, or 60.12 percent.

After the situation returned to semi-normal in government offices and the public sector, the Chamber of Commerce and Industry in the north issued its monthly publication, which included information on the export of foreign and locally made goods during last September and October. These 2 months preceded the incidents between the Palestinian factions which occurred at the end of the year and paralyzed all economic activity, especially through the port, which was severely damaged and forced to close. Because of these events, no export figures worth noting were recorded during the last 2 months of the year.

The publication pointed out a large decline in the export business, which had flourished since 1978.

Lebanese

The largest decline was in the export of goods of Lebanese origin, which include manufactured products and crafts. These exports were valued at about 169 million pounds in comparison with 682 million pounds in 1982. In other words, there as a decline of 517 million pounds, or 75 percent.

The goods hit hardest by the decline included Eternit cement, and asbestos pipes, which form the ba kbone of production in the region. The decline in the export of Eternit and asbestos amounted to 292 million pounds, while the decline in cement exports was about 181 million pounds. There was an 85 million pound decline in the export of food products, fruits, vegetables, and olive oil. The rate of decline varied for the export of lumber, plastics, iron girders, and building materials, especially those made of iron.

It was noted that the average monthly export of Lebanese origin goods declined from 57 million pounds in 1982 to about 26 million pounds in 1983. This average was stable for the first 5 months of the year and then began to decline gradually beginning in June. It reached 7 million pounds in the months of September and October and was below that mark for the last 2 months of the year.

Foreign

The decline in the re-export of foreign goods was also noticeable. These exports were valued at about 262 million pounds in 1983, in comparison with 395 million pounds in 1982. In other words, there was a decline of about 133 million pounds, or 33 percent.

The decline for various goods was as follows: iron--78 million pounds, cement--41 million pounds, building materials--8 million pounds, manufacturing equipment--10 million pounds, wood--over 16 million pounds, and olive oil--over 5 million pounds.

The total value of exports was 431,410,816 pounds, which included 169,213,603 pounds worth of Lebanese manufactured goods (39.22 percent) and 262,197,213 pounds worth of foreign goods (60.78 percent).

Markets

In terms of markets, four Arab countries--Syria, Saudi Arabia, Jordan, and Iraq--cornered 95 percent of all exports.

Syria maintained a comparable level of imports with previous years. However, there was a large decline in imports to Iraq, Jordan, and Saudi Arabia. Lesser declines were recorded in imports to Kuwait and the United Arab Emirates.

Exports to Iraq reached a low point at 39,284,000 pounds in comparison with 308 million pounds in 1982.

Jordanian imports declined to 30 million pounds in comparison with 250 million pounds in 1982. The decline in Lebanese-origin products reached 86 percent.

Saudi Arabia reduced its imports to 135 million pounds in comparison with 283 million pounds in 1982, or a difference of 147 million pounds, 95 million pounds of which were of Lebanese goods.

The decline in exports to Kuwait and the UAE was small because of the limited amount of exports to these countries via the north. The value of our exports to Kuwait and the UAE was 6 million pounds.

Reasons

This reduction in exports from Tripoli is attributable to Lebanese problems in general and northern problems in particular.

The decline in exports began during the beginning of the year with escalating strains that resulted from the stagnation that plagued the entire Lebanese economy. The decline continued with the northern capital's security problems which deteriorated to dangerous levels during the last 2 months of the year.

The decline in exports from the north became especially pronounced after the two main factories in Shaka began experiencing problems. These factories are the cement and Eternit factories. Exports from the former to the Arab states declined because of recession in these states and a slow oil market. Production in the second factory came to a stop after it lost Iraq as a primary market.

The same applies, but to a lesser degree, to the pressboard factory. Through its closure, the north lost a primary source of material ideal for export.

12608

CSO: 4404/346

METHODS FOR DEALING WITH INFLATIONARY PRESSURES OUTLINED

Beirut AL-'AMAL in Arabic 4 Feb 84 p 9

[Article: "Ministry of Labor Study on High Cost of Living. Indicators Not Precise. Seven Options for Confronting Inflation"]

[Text] The Ministry of Labor has conducted a study on "The High cost of Living in Lebanon: Reality, Methods of Treatment." The study, which was prepared by a task force of economists headed by Dr Samir Nasr, begins by explaining the phenomenon of inflation in Lebanon and its negative effects on production, distribution of income, growth, the trade balance, competitiveness, and currency exchange rates.

The study pointed out that price indexes provide evidence warning that this phenomenon is worsening. The study then pointed out the necessity of taking action to deal with inflationary pressures. Then the study examined different aspects of the subject of price indexes and reached the conclusion that the index provided by the Public Directorate of Central Statistics is the most credible since it is based on a study of a typical family budget. As far as the other indexes are concerned, and acknowledging the dedication of those who work on them, they focus on just one item from all consumer goods. This biases the results and creates discrepancies that lead to arguments and confusion of public opinion.

The study then drew the following conclusions:

Inflation is an economic phenomenon that cannot be defined by price indexes and cannot be treated on the assumption that it is merely a certain change in the price of goods. Rather, it is the result of pressures due to certain problems or situations, or the behavior of certain social groups or economic sectors.

Therefore, everything that affects the economic cycle and the various influences on the economy have a direct or indirect relation to inflation.

The treatment of inflation cannot be mechanical. That is, one cannot define the causes then impose a treatment. Rather, treatment is built on basic options and the ability to change certain types of behavior.

General Monetary and Fiscal Options

1) Monetary Options: These are concerned with basic monetary policy, interest rates, the money supply, and increasing the money supply. It could be difficult to control the money supply without resorting to financing certain sectors and without having negative effects on economic activity. This could also have repercussions on employment and growth. Also, the increase in interest rates could be a basic factor in the increased cost of production, and thus increased prices.

2) Fiscal policy options: This means decreasing the budget deficit to lessen inflationary pressures. This could also have negative results, such as a cessation of public projects, decrease in salaries, and a cessation of social and economic subsidies in the case of pressure on public sector spending. This could also mean an increase in taxes if an impact on income is desired.

3) Structural options: This means taking measures that could change the basic complexion of the Lebanese economy. Production costs, the size of financial institutions, and the role of the services sector...these things cannot be dealt without reviewing the fundamentals of the free enterprise system. This, however, is not desirable in view of the benefits of this system on other levels.

Subsidy and Price Control Options

4) Foreign trade options: This area deals with the degree of economic liberalization in terms of financial transfers, the exchange price of the Lebanese pound, and import freedoms. Any artificial support of the exchange rate of the Lebanese pound, or limits on transactions and transfers will have a negative effect on confidence, the trade balance, and the balance of payments, and will have the opposite of the result intended on the exchange rate of the pound and inflation. At that point the state would intervene by extending subsidies and price controls, and impeding the role of the open market. This would mean that the budget deficit would grow as would the balance of payments deficit and the foreign debt. Incomes and purchasing power would drop.

5) Subsidy options: This could include subsidies in a number of sectors: health, education, transportation, housing, consumer goods, production costs, energy, and medicine.

Subsidies are based on changing the market balance and providing services or products, for economic or social reasons, at prices that are lower than they would be in the open market.

It is obvious that these policies are attractive at first glance. However, they produce a heavy drain on the state treasury and on the policy-makers because it is not possible to provide subsidies in all areas and, therefore, it is difficult to choose, and it creates conflicts of interest, and

results in unorganized subsidy prices. Also, by continuing to encourage consumption of certain goods or the use of certain services, subsidies create an unchangeable reality and help to supplant the reality of supply and demand. They also lead to a rise in overall costs that is not in the interest of the treasury. In the end, subsidies, such as fuel and bread subsidies, create a tremendous economic and financial burden.

All of the options that require intervention by the state have an impact on the state treasury and lead to increases in taxes on the public in one way or another. However, if intervention is based on lending or increasing the money supply, such support could be useless because lowering the price of money could increase inflationary pressures.

6) Options concerning administrative intervention, price controls, and anti-trust efforts: This option, despite its benefits and the psychological and real effects it has on monopolies, could lead to price-fixing and profit limitation measures, something which impedes the role of the open market, competition, and initiative, all of which play a fundamental role in limiting monopolistic tendencies. In addition, this option, if applied universally, could hamper employment and lead to confusion for investors and producers.

Wage Changes and Price Indicators

7) Wage increase options: This option, although it appears to be a necessity to compensate for the loss in purchasing power, cannot be comprehensively applied to all groups under all circumstances. There are guidelines for increased productivity, consumption, the level of demand, the cost of production, and the level of economic growth, guidelines which limit spending on increased wages.

The issue of inflation is political and relatively scientific. It is related to soundness of a given society's priorities and its willingness to bear the costs. This cost might take the form of unemployment, recession, lower profits, or emigration.

Inflation may also be psychological in the sense that individual and group behavior has a large impact on the setting of prices, the type of consumption, price controls, and limiting the costs of productivity.

The second part of the study provided a proposed plan of action to confront inflation. The proposals are as follows:

1) In the area of price indicators:

--To work on a new study of the typical family budget, to define a basket of consumer goods, and to establish the basis of a new price index with a realistic emphasis.

--To issue a monthly price index divided by types of consumption and region.

--To define areas where prices have increased and to attempt to analyze the reasons.

2) In the area of controls and administrative measures:

--To require that prices of goods and services be clearly advertised and violators prosecuted. This would encourage competition and enhance clarity of the situation.

--To lift customs protection from all production and trade monopolies and open the door to competition in all fields, and to modify customs charges randomly in the event of lack of competition.

--To tie maximum annual price increases in certain sectors that have social significance to overall price increases. These increases should be a certain percentage of the price increase rate: Rent--40 percent of the increase in prices, schools--50 percent of the increase in prices, hospitals and medical care--50 percent of the price increase rate, transportation--70 percent of the price increase rate.

Some of the disparity can be made up by granting tax breaks, financial subsidies, certain exemptions, or subsidized interest rates when necessary.

This could reactivate the construction sector and guarantee an annual increase for new rents. It could also be a boost for schools and medical establishments.

3) In the area of wage and income increases, the study's recommendations are:

--To increase the minimum wage on the basis of price increases. However, this increase should be limited and should take into consideration the situation in various sectors and should allow equal evolution of wages for the middle and upper wage groups.

--To increase family benefits to assist large families. This should include improvement and end-of-service compensation and an increase of health insurance contributions and compensation. This could be done by requiring participation, raising the maximum income level for participation, and assisting the end-of-service branch by combining it with the retirement fund.

4) In the area of subsidies:

--To use money now being used for subsidies to finance fundamental social projects.

--To subsidize interest rates on mortgage loans for low income individuals. This would increase supply and lower prices.

--To subsidize interest rates on loans to finance production (industrial, agricultural, and private). This could be done by financing equipment and

operating expenses. This would lead to lower production costs and increased production.

--To subsidize the deficit in public transportation by lowering the price of fuel.

--To finance health and education equipment projects.

5) In the area of monetary policy

--To place ceilings on consumer loans.

--To lower interest rates by subsidizing, that is, financing the difference between the going rate and the desired rate.

--To control the increase in the money supply.

--To support the exchange rate of the Lebanese pound.

6) In the area of fiscal policy:

--To place ceilings on public consumption expenditures.

--To finance the deficit through public debt and not through financing the Bank of Lebanon.

--To use the deficit for productive purposes and not to finance administrative efforts to boost wages.

7) In the area of distribution:

--To encourage the establishment of consumer cooperatives and supermarkets.

--To bring the market together and facilitate transportation in order to prevent the establishment of costly direct distribution facilities.

--To encourage competition by eliminating import agents, since there is nothing worse than the abuse of the right to import in order to raise prices sharply.

These solutions in addition to a collection of other matters in the study represent a practical starting point for dealing with this problem, keeping in mind that competition, customs rates, freedom of trade, a free enterprise system, availability of money, and a number of investment opportunities would all undoubtedly help to limit inflationary pressures. If we compare the Lebanese situation to other situations we find that although prices are rising, there are controls that prevent a slide to dramatic levels, as has happened in many developing, and even industrialized, countries.

PALESTINIAN AFFAIRS

DFLP ASSISTANT SECRETARY COMMENTS ON OPERATIONS IN LEBANON

Aden AL-THAWRI in Arabic 11 Feb 84 pp 3, 9

[Interview with Yasir 'Abd-Rabbuh, Assistant Secretary of the DFLP: "AL-THAWRI Interviews Yasir 'Abd-Rabbuh on Course of Palestinian National Unity, Events in Lebanon, Soviet Support, Aden's Involvement in Area Events;" in Aden]

[Text] Comrade Yasir 'Abd-Rabbuh, assistant secretary general of the DFLP spent a few days in Aden during which he met with Comrade 'Ali Nasir Muhammad, the secretary general of the Yemeni Socialist Party, and a number of party leaders.

While he was in the capital of the People's Democratic Republic of Yemen, AL-THAWRI interviewed Comrade 'Abd-Rabbuh about recent developments on the Palestinian and Arab scenes. AL-THAWRI interviewed the DFLP official to find out from him where the DFLP stood on recent changes.

We welcomed the assistant secretary general of the DFLP, and we laid out to him the points we wanted to cover in the interview. He agreed to be interviewed, and he let us start the interview.

[Question] The first point that comes to mind is that of the Palestinian scene. We are referring to the task of working to restore the unity of the Palestinian ranks. What are the principal premises upon which the process of looking for foundations for unity is being conducted? What does the DFLP think is required for the preservation of Palestinian unity?

[Answer] The Palestinian Revolution is going through serious and complex circumstances. Two trends emerged within the revolution after the invasion of Lebanon and after the aggressive war that Israel launched with the support of the United States. These two trends emerged with all the pressures that resulted from that war and affected the Palestinian Revolution. The first trend is represented by part of the Palestinian right; it was the product of a position of despair that had yielded to the balances of power which were generated by conditions in post-war Lebanon.

The second trend was also the product of despair; it was an attempt to find ways out of a difficult situation. But that attempt was based on principles that had nothing to do with the political program of the PLO.

The Palestinian masses know that the supremacy of any one of the two trends would break up the ranks of the revolution and threaten the unity of the Palestinian people. That unity had been achieved through the role that the PLO had played as the established, sole, legitimate representative of our people on the basis of the organization's political platform.

It may be said that the first trend proceeded on a course which threatened the unity of the revolution and of the liberation organization.

We now see that the unity of the liberation organization is in serious danger. In fact, the unity of the Palestinian people is now being threatened because it was the liberation organization that had provided the conditions for political unity to the scattered Palestinian people who are scattered over a number of areas and countries inside and outside the occupied land. The division or break-up of the liberation organization would eventually lead to the loss of the people's unity, and that is what imperialist, Zionist and reactionary forces have always been seeking.

When the liberation organization was able to get recognition as the sole, legitimate representative of our people at the Rabat Summit meeting in 1974, it was able to affirm the unity, the rights and the interests of the Palestinian people.

In view of all that Palestinian national forces that are concerned about the interests of our people's unity are being called upon to establish the broadest Palestinian national coalition to protect the unity of the liberation organization and its national course on the basis of resolutions issued by the Palestine National Council. Chief among those are the resolutions that were made last year at the Algeria meeting.

We think that the establishment of such a broad coalition is possible because we believe that there is no support for a capitulatory course among the Palestinian masses. The objective basis for the unity of all national Palestinian forces exists and is available.

None of the classes of the Palestinian people supports a solution to the Palestinian problem that is based on the Camp David notion of autonomy and Reagan's plan. That "autonomy" is actually exemplified in dividing the administration of the occupied areas between Israel and Jordan, and that would leave the Palestinian people with no civil rights.

It is for this reason that we've appealed for the establishment of the broadest national Palestinian coalition inside the country and abroad within the context of the PLO.

We refuse to have this coalition turn into a divisive action or an organization that would be an alternative to the liberation organization or one that corresponds to it.

The forces that are qualified to set up such a coalition are those that have worked and struggled throughout the past period for the PLO's unity, national course and independence. They are the forces that have earned the respect and appreciation of the Palestinian masses. These forces have considerable influence among the ranks of the people in the different areas where Palestinians can be

found. The forces we are referring to are those of the joint command of the DFLP and the PFLP, the Palestinian Communist Party and the Palestine Liberation Front. This alliance would be based on a broad national trend that manifests itself in the effort to protect the PLO and its national course and oppose capitulation and corruption. Represented in that trend would be numerous national figures and institutions as well as national and popular organizations inside the country and abroad.

We are also referring to the fact that the course we are advocating and fighting for is the only one that defends the interests of the broadest sectors of the Palestinian people. We believe that that course will guarantee safety for the unity of our people and our revolution and protection for the gains we have achieved. No power and no organization would be exempted. The Fatah Movement can play an advanced role that would be based on protecting the revolution's unity and national program.

We've suggested to all national Palestinian forces that they sign a national Palestinian agreement to use legal channels and institutions to reorganize the PLO so as to illustrate the broad national coalition where no one would have control or ascendancy. We believe that this condition is necessary at the present time to preserve and protect unity by providing the greatest measure of participation in leading the National Palestinian Front which is represented by the PLO.

[Question] The Palestinian climate that you have referred to does not seem to be disassociated from its environment. If we want to be precise, it does not seem to be disassociated, for example, from the Lebanese crisis and the current chapter in that crisis where events are unfolding and war is breaking out. What is your view of this association, and what is the future of these events?

[Answer] The situation in Lebanon affirms quite clearly that it is impossible to disassociate the Lebanese crisis from the crisis in the Middle East. The United States is actually striving to tighten its control over Lebanon by forming an alliance with the Lebanese government and with the Israeli occupation. The United States wants to turn this country into a base from which it can threaten surrounding countries and launch attacks against them and against the entire Arab liberation movement, particularly Syria, the Palestinian Revolution and the Lebanese National Movement.

Lebanon is witnessing a serious escalation that is being carried out by U.S. forces and by the western forces of U.S. allies. They are relying on the role of the Lebanese army and forcing that army to establish a Fascist military government inside Lebanon that would ensure U.S. interests in Lebanon as well as U.S.-Israeli aggressive plans against that country.

Lebanese national forces, supported by Syria and the Palestinian Revolution are opposing the fascist, U.S.-Israeli aggression against Lebanon to protect the basic national positions of Lebanon. These forces are engaged in a broad struggle to forestall the hostile plan and prevent [anti-Lebanese forces] from controlling the rest of Lebanese territory.

The critical situation that U.S. policy in Lebanon has reached by opposing the vast majority of the Lebanese people and their national forces and by opposing

the splendid heroic opposition that was put up is getting worse. The United States is trying to find ways out of that crisis by becoming even more involved in aggressive action, by expanding the terrain of the civil war and by supporting the fascist forces. However, that does not actually constitute a way out of the United States' crisis since opposition to that policy is growing within the United States and among its western allies.

[Question] Where can the actions of the Resistance in south Lebanon be placed in this scheme of things?

[Answer] The Israeli occupation in south Lebanon is also facing obvious difficulties and a crisis similar to that of the United States. Armed resistance to the Israeli occupation is growing daily, and the popular opposition is also growing. That opposition includes all groups of the Lebanese people.

[Question] What is the role of the Palestinian Resistance in that struggle?

[Answer] The Palestinian Resistance has worked throughout the past period and is working now with all its resources to support the Lebanese national struggle. It is taking an active part in the struggle that is going on in all Lebanese areas against the Israeli occupation and against U.S. military intervention.

Although in the past we did not resort to public declarations of our involvement in that resistance, that fact does not mean that we did not play that role. Also this does not at all diminish the leadership role of Lebanon's national forces in all the battles of national struggle that they fought.

We view the ongoing struggle as a new and a decisive round in the ongoing struggle. Its outcome will determine either the success of the U.S. plan to impose political and military hegemony, or it will determine the failure of that plan and the onset of its withdrawal and decline. It is certain that conditions for our victory in this battle are available, particularly if the Palestinian Revolution, the Lebanese National Movement and Syria pool their efforts together on the basis of opposing the common enemy and putting the struggle with the principal enemy ahead of any secondary, narrow struggles. Also support and backing for Syria, for the Lebanese national forces and for the Palestinian Revolution from progressive Arab forces, from the Soviet Union and from other socialist countries constitutes now a principal factor in curbing U.S. aggression and preventing the United States from giving itself a free hand in Lebanon or imposing its plan for the Palestinian and the Middle East question.

[Question] Let's try to step back a little from the center of events and ask you about the results of the visit that the DFLP delegation made to Moscow. What is your assessment of those results, and what do you think is the Soviet position on the events?

[Answer] The DFLP delegation visited Moscow so that our leaders could consult with comrades in the Soviet Communist party about current conditions which the area and the Palestinian Revolution have been experiencing, particularly after Yasir 'Arafat's visit to Cairo.

It may be said that we sensed that our colleagues in the Soviet Communist Party agreed with us about the threats to the Palestinian Revolution and the need to oppose imperialist, Zionist and reactionary plans.

In the negotiations we had with [Soviet officials] the Soviet Union affirmed its full support for the policy and positions of progressive Palestinian forces. The Soviet Union affirmed its support for the policy of principles which concerns itself with the principal interests of the Palestinian people and adheres to the decisions of the Palestinian national councils. At the same time the Soviet Union assumed an unequivocal position on any tendencies attempting to divert the course of the Palestinian Revolution.

On the other hand Soviet colleagues affirmed the need for unity of action between national and progressive forces that share a common interest in the struggle against imperialist forces. They affirmed that these forces needed to stay away from everything that would inflame and exacerbate secondary disputes because the only beneficiary of that would be their common enemy. Soviet colleagues also affirmed that the Soviet Union will continue, as it has in the past, to support the struggle of the Palestinian people and that of the PLO as the sole, legitimate representative of our people. They affirmed that the Soviet Union will continue to support Syria's struggle and that of the Lebanese national forces against U.S. aggression and Israeli expansion.

Our visit affirmed that the Arab people can rely on the permanent and basic support of the Soviet Union in their grinding struggle against aggressive plans.

[Question] And now to round out our review of this scene, can we ask you to tell us what you think about the role the People's Democratic Republic of Yemen is playing on the Palestinian and Arab scenes? We are asking you about Aden's involvement in these events and struggles.

[Answer] Ever since the disputes began on the Palestinian scene, the People's Democratic Republic of Yemen has assumed a basic position that affirmed the need to protect the unity of the Palestinian Revolution and the unity of the PLO and adhere to the political program as the principal foundation for preserving this unity.

Leaders of the Yemeni Socialist Party have been making sincere and enthusiastic efforts to support the Palestinian national forces within the PLO and protect the organization as the leader of the Palestinian and Arab struggle for liberation. We view that position as an expression of the spirit of a national and basic policy that is loyal to the Yemeni Socialist Party as well as to the masses of the people in the People's Democratic Republic of Yemen.

The People's Democratic Republic of Yemen was the first Arab country to define a sound, basic position on Mr Yasir 'Arafat's visit to Cairo. That position was based on the actual interests of the Palestinian people and the interests of the Arab National Liberation Movement. The position was based on a basic course of supporting the PLO and the struggle against Camp David plans and the Reagan plan.

We believe that the People's Democratic Republic of Yemen is qualified to continue that role of supporting and backing Palestinian national forces and protecting their national unity. The vast majority of Palestinian national forces have

confidence in the policy and positions of the People's Democratic Republic of Yemen. They believe in the country's loyalty to the unity of all Palestinian nationals, and they've put that role to the test.

As we continue now the process of consulting with the leaders of the Yemeni Socialist Party on current Palestinian and Arab conditions, our assessment of the results of these conditions is based on the reality of the identical position Yemeni leaders share with the positions of the broadest national and progressive Palestinian forces and with the course of the PLO's program.

8592

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ROLE OF PRIVATE ENTERPRISE IN DEVELOPING NATION REVIEWED

Riyadh AL-YAMAMAH in Arabic 11, 18 Jan 84

[Article: "The Private Sector: Profit and National Responsibility"]

[11 Jan 84 pp 3-9]

[Text] "Development in the Kingdom of Saudi Arabia is no longer a test of the strength of the kingdom's structure and the determination of its people. What the Kingdom of Saudi Arabia has achieved in 12 years is greater than what many countries have achieved in decades. It might be said that the presence of material means in the kingdom has helped it realize its goals, and that is true. The presence of material means has enabled it to attract the best experts, mobilize technology and shorten time. However, the attainment of development is something that exceeds mere material means. It requires a determination that does not know fatigue, a faith that does not know despair, and a boldness to rush into the future through all its doors. Along with all that it needs planning, good administration and a flexibility which enables the person who is advancing to change course."

With these words, his excellency the minister of planning presented the record of honor, which was filled with the achievements of the three development plans, starting in 1970 and ending in 1982.

We are pleased herewith to present it as the introduction to our subject, the subject of the nation:

We are pleased to do so, as people have become pleased with the achievements they see, which are embracing the face of the sun.

We are also pleased to do so as every citizen has felt the government's boundless sacrifices, which directly affect his life. Finally, we are pleased to do so as al-Fahd's words continue to ring in people's ears.

Yes, who among us will forget his historic speech at King 'Abd-al-'Aziz University the day he spoke in the language of figures? Among the statements his majesty made was:

"The Industrial Development Fund has offered loans of 47.4 billion riyals to factories and electric companies, the Agricultural Bank has offered loans of 15.5 billion riyals, the Real Estate Development Fund has offered about 257,000 loans worth 60 billion riyals, and the General Investment Fund has offered 56 billion riyals to SABIC and Petromin plants."

This is a small portion of the great deal the government has offered the citizens out of its desire to open up sources of livelihood for them today and provide a brilliant tomorrow whose demeanor will be beautified by welfare and security.

Perhaps al-Fahd's concentration on the Industrial Development Fund, the Agricultural Bank, the Real Estate Development Fund and the General Investment Fund entails a signal that might be indicating "This is the government's sacrifice for you, now show us your sacrifice." All ambitious development must take into account the extent of the fertile, creative interaction between the government's sacrifice and that of the citizens. In a country like the kingdom, whose economy is founded on the system of the open market, the sacrifice that is anticipated from citizens must be embodied in the private sector. This sector today has exclusive possession of the second foundation of the strategy of the fourth development plan, which can be summarized as "adopting the policy of opening the way for the private sector to engage in many economic tasks in the country, where the government will not perform any economic activity which can be performed by the private sector."

The government has played its role in full in implanting the foundation stones of basic industries, providing various requirements for sectors throughout the three development plans; therefore the time has come for the private sector to take the reins of initiative by participating in moving the wheel of development forward, alongside the government, benefitting from the opportunities, benefits and support the government gives it, and at the same time contributing its youthful efforts through a strategic policy among whose most prominent features are:

1. Granting the private sector the opportunity to operate, manage, administer and repair certain facilities the government is now administering, on condition that that lead to real benefit in the reduction of costs, good performance and the employment of citizens.
2. Granting the opportunity to invest and participate in the ownership and management of basic industries which the government establishes by offering stock in the SABIC and Petromin companies to the private sector and getting it to take effective part in the management of them at the appropriate time.
3. Reviewing methods, policies and statutes in the government in a manner which will enable the private sector to work with greater freedom and flexibility and help it innovate and develop, for instance making the price restrictions on private hospitals and clinics fair to the investor and the citizen, organizing the system of commercial courts, developing justice secretariats, and so forth.

4. Encouraging cooperative societies and private philanthropic and commercial organizations to carry out economic and social projects, such as operating private sanatoria, hospitals and clinics and constructing charitable institutions, tourist areas and recreation centers.

5. Encouraging commercial banks to increase their facilities for productive projects rather than concentrating them on import trade.

6. Encouraging the establishment of more corporations with the objective of investing in great projects for which better economic resources are available, in order to employ the greatest number of citizens in investment activities.

7. Creating ways in which the government can supervise transactions in company stock with the goal of encouraging investment and eliminating the dangers of financial speculation.

8. Getting the private sector to participate in setting out and carrying out training programs.

9. Working to increase the effectiveness and intensification of special programs by introducing citizens to the investment opportunities available in the productive sectors.

10. Introducing investors periodically to the conclusions of studies carried out by bodies concerned with mining, urging investors to start to exploit the raw materials available, opening the door to companies to exploit mines that are discovered, and encouraging investment by various means, for instance creating basic facilities.

12. [Sic] Giving priority to qualified Saudi contractors and consultants to carry out various projects. In the event any project is awarded to a foreign company, it will commit itself to assigning a proportion of the work the project entails to Saudi contractors.

13. Breaking up projects, whenever that is technically and economically possible, to enable Saudi companies to take part in carrying them out.

14. Encouraging the establishment of national companies for investing money domestically.

These are the classes of sacrifices that are expected of the private sector. This is the strategic policy which will define the scope of its participation, giving it confidence, full confidence, in bearing its responsibilities vis-a-vis its role in national development.

To what extent is the private sector preparing to carry out commitments related to the hopes that have been attached to it?

To what extent is the private sector keeping abreast of the course of development in the kingdom?

If it is harder to build up men than to build up cities, what is the private sector's role in assimilating competent people from the country?

That is our question today, a question which is as long as our hopes and ambitions of giving deeper meaning to development, in the practical sense, for the sake of the wealth of this beloved, precious nation.

To answer the question, it was necessary to examine conditions in the natural environment, through a large group of businessmen in various activities, out of our belief that experience alone is the final criterion for judging things.

In view of the importance and ramifications of the issue, on the one hand, and the large number of guests on the other, we have deemed it preferable to deal with it in two instalments, the first of which will be devoted to the answer to this question:

What is the role of the private sector in national development? Has this sector achieved the goals desired of it?

The First Statement

We began our meetings with Eng 'Abdallah 'Ali Aba-al-Khayl, director general of the Aba-al-Khayl consulting engineers' office. He replied by stating,

"I imagine that the private sector has performed its duty in national development, through the wherewithal that has been granted to it, whether material, human or moral, although we had hoped that the private sector here would become a productive one more than a consumer one, in order to take part more and more in the development plans in the kingdom.

[Question] Don't you consider that the private sector's role has been marred by its absolute reliance on foreign imports for its needs and failure to shift its activity from the role of import consumption to the role of economic production?

[Answer] The private sector is two kinds: the first consists of the consumer, or the citizen, and the second is the productive private sector. We in the kingdom have had a shift in the pattern of consumption toward the citizen, in view of the material resources which have been made available, for which praise be to God. Thus the citizen has become anxious to own the best and most expensive goods, and as a consequence his buying power has increased and along with that his consumption has increased beyond his actual needs.

[Question] What is the conclusion?

[Answer] The conclusion is that I imagine that we as a private sector have not played our role in economic production as we should have, because when various industries exist in the country, and the men in the private sector are convinced of their economic feasibility, as far as they are concerned, the private sector will then embark on that sort of project and industry, especially since the economic yield will revert to the government and to it.

The Second Statement

The businessman Salih 'Abdallah al-Muzay'al, the vice president of the Al al-Bayt Organization, added:

"The government, may God prolong its glory, has not been at all stingy with the agriculture sector, and it has extended the hand of help to the people who are involved in this area, because the government wants to multiply the investments in the areas of agriculture specifically, in the context of the diversification of sources of income. Investment in the field of agriculture also requires great resources and expertise, which require that the people who carry it out be knowledgeable in this field."

[Question] What do you suppose is the extent to which businessmen respond to the government's efforts in the area of agriculture?

[Answer] Businessmen have responded most forcefully. The best evidence of that is the local abundance of local agricultural produces and dairy products. This is a source of pride for the private sector. In addition, there has been great participation in the cultivation of wheat, barley and so forth. The most prominent feature in private sector farming is its great reliance on the most modern technological methods of farming and irrigation. Farming is in our blood and our veins, as you know; we are the people of agriculture, by virtue of the fact that we are villagers. In our villages we relied on farming, especially on date palms. This tendency has remained with us, in spite of the shift to other commercial areas; rather, it has been our orientation for 25 years in the treasury which has resulted in a moral and national commitment toward the nation, the citizens and Saudi businessmen to provide their requirements for these goods which we market, or their spare parts, and to maintain this machinery and equipment.

The Third Statement

In our meeting with the businessman Shaykh 'Abd-al-'Aziz al-Sulayman, he answered us by stating,

"In my view, the private sector is the basis for every development and every resurgence. In the light of that, the government has always been on the side of individuals who constitute the pioneering class in the society. It is certain that the role of individuals at the beginning of the development plans was not clear, because the government played all the roles, in order to create the infrastructure for the resurgence and to benefit as much as possible from the resources which God has generously bestowed on us in the shortest period. The government has performed its mission of building the basic framework for the resurgence we are going through. The role of the private sector, which proceeded to continue the mission the government began, then came after that. This without a doubt is essential and desirable, especially since the desire is apparent that development should be totally national and that the private structures should assume their role in industry, management or general development. Perhaps one thing that gives satisfaction is the fact that the government has started to implant this notion that the citizen, as embodied in the businessman, should start to play his part in the role of development.

"In reality, as we are on the threshold of this experiment, there is nothing to prevent us from benefiting from the expertise of countries that have preceded us in this area and in creating fruitful cooperation between the government departments and the various private sectors, in the form of companies, organizations and individuals."

Shaykh 'Abd-al-'Aziz Sulayman went on,

"Moreover, I cannot imagine the absence or removal of government guidance; rather, that will always remain present, and the government will continue to be in the position of a father, as it is the supervisor and superintendent, through this guidance, by determining priority of work in various areas, and by having work and activity in the hands of the citizens."

Al-Sulayman then concluded his views by stating,

"The private sector can begin with other industries which complement the major ones and manufacture other requirements domestically. This can be done through the formation of a higher authority of businessmen under the supervision of the government. The best entity for this is the Ministry of Industry, which includes a large number of the best of our educated young people, so that we will be able to establish a distinctive national industry for our country."

The Fourth Statement

Mr Isma'il Ibrahim Sajini, general manager of the Saudi Automobile Services Company (SASCO), concentrated the goal of development on the service of man and considered that the provision of such service is the basis for bringing about the development by which it is intended to raise man's material and intellectual level. He then added, on the basis of these preliminary remarks:

"The structure of development in the kingdom depends on the free economy, which plays a basic, influential role in this area. Though the government has a specific role in this, the main role belongs to the private sector."

Mr al-Sajini then described the nature of the two roles by stating, "We have gone through a period in which the government built basic facilities in the form of roads, universities and so forth. It also developed private capital by giving opportunities and training, and there are many examples of the government's role in joint activity with the private sector. Of those, the SAFCO fertilizer [company] and its entry into corporations as a founder might suffice.

"If the government's role is starting to diminish, as is to be observed with SABIC, the reason is that the government has created the economic base which will give the private sector the opportunity to play the main role in development."

[Question] As an actual example, what is your opinion of the SASCO company's role in development?

[Answer] The company's role in comprehensive development is major. As you know, the fourth development plan is concentrated on maintenance, which is a goal of development, and the preservation of existing capital. As you also know, the kingdom has about 4 million cars, and if we estimate the value of each car at 20,000 riyals, the value of the cars will come to 8 billion riyals -- massive capital which must be preserved.

Unfortunately, most of the maintenance shops that exist are wasting this capital. Therefore the thought was raised of establishing a general corporation and the company actually has been formed, for purposes of performing maintenance and services for the beneficiary public that owns these cars.

That is what the company is doing now. In the future, with God's permission, we will play a further great role, through a series of service centers, central maintenance shops, rest houses and other things which lie within the company's goals.

The Fifth Statement

The fifth meeting took place with Shaykh 'Ali Shabakshi, the chairman of the board of the 'Ukaz Publishing House. He began it by stating:

"In order for the private sector to be asked to play its part, it must be given the form and substance that will give it the character of continuity and remoteness from pure individual orientation, since I do not believe that individual contributions alone will be enough to create the desired investment programs. The closest example to that is the current state of contracting. The kingdom has witnessed large numbers of contracting companies which are unprecedented in size, while we can hardly find a contracting corporation! This is at a time in which we find that numerous corporations have been created in the form of concessions, such as the cement, electricity, gas, public transport and other companies that lie within the notion of concessions.

"Therefore, what is desired of the private sector is that it establish a number of corporations in various areas in which a group of investment entities and savings entities will take part, such as employment and maintenance programs, agricultural and administrative projects, and investment in some public facilities."

[Question] Why have you emphasized corporations in your statement?

[Answer] The institution of the corporation, by the nature of the case, helps transcend all obstacles which the individual faces. For example, if the individual wants to carry out a specific study on any project, he will need about 100,000 riyals to carry the study out, while in a company an individual will defray no more than 10,000 riyals for a study of that kind. To that, add the fact that the life of the corporation goes on; it does not end when one of its members dies. In addition, tens of millions of riyals are not lost as soon as the company owner wants to liquidate its account. Finally, let us ask this question: What is the fate of persons who have specific amounts of money and want to invest them? Shall we abandon them to

fall the victim of decisions they take to open real estate offices or the like, or to buy heavy equipment to work with according to the climate of the market?

[Question] What, however, is your explanation for the rise in [stock] prices of corporations?

[Answer] The rise in prices of corporations in the kingdom is not based on the single explanation that there are no other corporations. Rather, corporations turn into speculation in purchases; when you see the basic value of the return on a stock at 100 riyals, and one person pays 750 riyals for it, you will realize that the basic goal is not investment but just the sale.

[Question] And the solution?

[Answer] We must establish corporations and bring about a certain magnitude in investment entities and savings entities, which will consequently have a reflection on investment entities.

Not only that, but to that one should add attention to the role of the banks. At the present time, the role of the banks is limited and does not enter into long-range investments, by virtue of the nature of the formation and the nature of objectives. The existing statutes, for example, on government bank loans almost differ from bank to bank. For example, we find the Industrial Development Fund contributing expertise, guidance and counsel as well as offering loans, while the Agricultural Bank offers very ordinary loans and guidance, and the amount the farmer needs does not enter into the area of expertise.

The Sixth Statement

The meetings followed in succession, and the answers followed in succession. The sixth meeting took place with the businessman Shaykh 'Abd-al-Rahman Sa'd al-Huwaysh, and he began that by saying:

"It occurs to me that the role of the private sector in industrial projects is very different from its role in commerce, and the concomitant imports, sales and so forth, since the participation of this sector in industrial projects entails a risk which the investor embarks on with a sort of wariness, in view of the effort and long time these projects require in order to yield a material payout in the form of profits.

"In general, we can determine that the majority of the projects which have been established in the kingdom are a success, even though they have not covered the country's needs and requirements."

[Question] We would like more detail in your evaluation of the performance of the Saudi factory.

[Answer] In spite of the circumstances and the obstacles facing the Saudi factory, as well as the intense competition which it gets from foreign manufacturers, who are always trying to flood the market with their products, in

spite of that, the Saudi producer has managed to produce and realize tangible progress in his production.

I believe that this success has been achieved thanks to God, first of all, then thanks to the government's oversight of local industries through customs protection, the reduction of quantities imported, and the fact that companies operating in the kingdom are compelled to buy their requirements in Saudi production.

However, in spite of that encouragement, some Saudi producers have met with failures, to the point where many factories have been closed down because of intense competition from foreign producers and the numerous enticements they offer in the Saudi market. The matter does not stop at that point but has reached some government projects which the government is intending to carry out, and the entry of some foreign consulting firms which are always trying to set out specific specifications which apply to the specifications of the foreign producer, so that it will be feasible for them to obtain and carry out the contract. Shaykh al-Huwaysh then concluded his statement by saying:

"I cannot imagine that this situation is pleasing to the officials in the government, especially since Saudi producers have proved that they are better and that what they are offering is far superior to what the foreign producer is offering. You might be amazed if I told you that many European countries have been much surprised by Saudi production which was exhibited during the Saudi industrial week in Denmark. These companies did not content themselves with their surprise, but noted down some prices so that they could import some of these products.

"That underlines what I had previously said, that if Saudi products are not superior to foreign products, they are at least on their level, and that of course is much better for the Saudi markets."

The Seventh Statement

The seventh meeting was with the businessman Shaykh Hamad Muhammad al-Jumayh, and this was the response:

"There is no doubt that the private sector has a substantial role in national development. The government and private sectors each complement the other, with the objective of developing and supporting the domestic economy.

"A glance at the activity of the private sector will suffice to state that many domestic companies are carrying out projects that are of benefit to the country. Among these are the agricultural projects which produce good grain and vegetable crops to meet the special needs of local consumption, and the same is the case with regard to livestock output. Large factories which are spread out in various areas of the country have produced many of the products which had originally been imported from abroad.

"If we leave the agricultural and livestock projects to the side, we will find many factories which have been established to participate in the

construction resurgence; among these are factories which produce construction materials and requirements, and so forth.

"In the commercial sector, there are the companies which import goods through negotiation with foreign companies, and the close examination of specifications to guarantee quality and conformity to our local circumstances. An example of that is agricultural equipment, where companies study the requirements of the country's agricultural sector to choose the most suitable machinery and equipment needed for cultivating specific crops that are produced locally and are in keeping with the nature of the soil, the climate and so forth. This machinery deals with the problem of the shortage of manpower, in addition to the services they offer to farmers, and their guidance and enlightenment in the proper use of this equipment, as well as followup on their repairs at the worksite, which will guarantee continued service without obstructions."

The Eighth Statement

The businessman Shaykh Salim 'Umar Baqshan spoke about the nature of the role of the private sector, stating:

"It is certain that the private sector, in the present stage, has a great role, although its role in the past did not go beyond the process of importing and selling goods and commodities.

"It is also clear that the private sector has started taking successful steps in the realm of development, especially in the realm of industry and agriculture, after spending years in real estate transactions.

"I can say that the private sector, in spite of the circumstances and obstacles it is facing, has managed in a short period to take part in development projects alongside the public sector. Through a rapid review of the ledgers and books of Saudi businessmen, the true nature of this participation will become apparent."

Shaykh Baqshan added:

"The setting by the Ministry of Industry of permits to construct plants at a period of no more than 6 months, whereas permits for them had extended for years, without the factories being built, has constituted further proof that there are increasing applications to establish factories.

"In addition, the great support the government offers local industries has had a great effect in the growth of the domestic industries that have started to spread out in various areas of the kingdom, and this has helped the private sector get foreign capital and foreign experts to participate in fruitful industrial projects.

"Let us not forget that getting the private sector to participate in SABIC through the shares that have been offered has given further practical proof of the degree to which the private sector has understood its role in development projects and the possibility of taking part in petrochemical industry projects the public sector is setting up."

The Ninth Statement

The ninth illuminating remark came from businessman Fallah al-Qathami, owner of the Kahraman Organization. He began that by stating:

"The private sector in the kingdom contributes a large role, whose objective is to bring about total welfare for the society. The role manifests itself through development programs and increases in them in accordance with specific general goals and policies and in the context of the development of the productive sectors."

[Question] What, however, is your evaluation of the private sector's participation in this role?

[Answer] In spite of the private sector's conviction of the nature of the role it is performing, it is to be noted that its enthusiasm for establishing any investment project is hesitant.

[Question] What is the cause?

[Answer] In my opinion, this hesitation arises from numerous causes, the most important of which is the absence of adequate studies on any investment project among the development projects that lie within the context of the general strategy of the construction plan.

Although the government usually takes part in supporting the investment projects the private sector carries out, through loans or specific facilities, the issue of starting the construction of any project continues to be prey to hesitation and fear over whether or not the project will succeed.

Shaykh al-Qathami then concluded his statement by saying,

"The private sector's participation in development projects needs comprehensive guidance and readymade, specific channels in which investment opportunities and economic feasibility for the investment will exist."

The 10th Statement

The tenth statement came from businessman Shaykh Muhammad 'Ali Mughrabi, as follows:

"The participation by the private sector with its various bodies in development, and the pursuit of development plans, is great and obvious. The private sector is the backbone of the various aspects of activity in commerce, industry, construction and agriculture, and in all other areas that branch out from those."

[Question] To what extent does that view apply to the private sector here?

[Answer] The scope of the application here is great. Perhaps the examples I will present contain evidence of that. As is well known, there was a crisis in hotels in Jiddah, Riyadh and the Eastern Province. This crisis became

intense at a certain time, to the point where people coming to the country no longer found hotel rooms, and that compelled some people to turn some homes or offices into temporary hotels. The private sector built hotels of various grades, not just in Jiddah and Riyadh but also in all the large towns, and indeed in some remote towns. The private sector kept abreast of the development plans, benefitting from the facilities the government gave it in this area, to the point where hotels at the present time are now surplus to requirements.

What is to be said about hotels can be said about housing, since there was a stifling housing shortage, and when the development plans began along with them came tens of thousands of workers and technicians who had come to work in the country. Of course the towns, even the big ones, were not prepared to absorb these massive numbers of people, and that raised the rents on vacant houses to fantastic figures, prompting the government also to establish housing structures in numerous towns.

However, the private sector hastened to respond to housing needs of various kinds and degrees, so that vacant housing in some towns became extremely plentiful, and that led the prices offered to reach a normal, reasonable level.

Shaykh Mughrabi moved on to another subject, stating,

"Another thing that can be mentioned about the private sector, also, is its effective participation in health services. People once relied on government hospitals alone, except for a few private hospitals; these hospitals, in terms of their equipment and services, were not at a satisfactory level. When the development plans included facilities bearing on new hospitals, the private sector in the form of our brothers the Saudi doctors and others hastened to establish advanced private hospitals which were well equipped, from the standpoint of competent domestic or technical persons or scientific equipment. These hospitals played a perceptible role in medical services, greatly reducing the burdens imposed on public government hospitals.

"What applies to hotels, housing and hospitals applies likewise to numerous other areas in the field of land and sea transportation and other fields which this hasty review is not extensive enough to enumerate."

[Question] What is your evaluation of the private sector's sacrifices in industry and agriculture?

[Answer] As far as industry goes, the industrial cities in all the big cities are packed with thousands of plants producing many kinds of manufactures, many of which had been imported from outside the country two or three decades ago. All these factories were constructed by Saudi industrialists, who kept abreast of the development plans and through them developed in growth, breadth and proficiency.

As far as agriculture is concerned, agricultural machinery and equipment has taken the place of men and animals in plowing, sowing, irrigating and harvesting. All this has occurred through the efforts of Saudi farmers, who

made the greatest use of development plans which guaranteed them many facilities in this area.

Then there is a simple example by which I can conclude this conversation and I mention it in the form of a question:

Have people in our country ever lacked a type of food, drug, clothing or even recreational appliance that they could not find?

In the face of this question, which was not just a question but constituted an outpouring of total conviction in and enthusiasm for the private sector's sacrifice in various areas, we consider it appropriate to content ourselves with this massive amount of businessmen's opinions. These, as the readers will observe, are views which all contend that the private sector has not stunted in understanding its influential role in serious, fertile participation in national development.

Regardless of whether we agree or disagree over the extent to which this judgment is credible, important evidence for this unanimity of views can be summarized by the fact that the private sector has faith in itself and its aspirations, and is aware of its responsibilities toward the blessed leap in civilization which has occurred over the past three development plans.

This faith and awareness is competent to keep abreast of another form of trust which has been afforded by the fourth plan's strategy in the private sector, as was stated above.

In this manner, also, arises the emphasis on the role of the private sector -- its importance and effectiveness in active participation in building up the nation.

At the end of this extensive survey, we considered it appropriate to turn to Mr Ahmad al-Yahya, the deputy minister of labor and social affairs for labor affairs, to learn his view regarding the private sector's participation in comprehensive national development and at the same time to present him our observations, which we have gleaned from the guests' answers. At the start, we asked him,

"Is national development just a government duty or does the private sector have an important role in it?"

[Answer] National development is a duty of every citizen; although the means for bringing it about differ, the goal is the same, and sense of citizenship is very important. As far as development goes, the government cannot always be the one that plays the part as thoroughly as possible, while the citizen contributes nothing, or very little, to development.

[Question] Then has the private sector played its role in development, or is it still deficient?

[Answer] The period we are going through is in reality a critical one, because it is not characterized by stability in development concepts. It is an

important period for making a choice, because the circumstances which have surrounded development have assumed a fervent character. Therefore, I cannot say that the private sector has played its part as it should; although a large segment of it has played an important part in development, another segment has not stopped and reflected carefully to see the volume of its national effort, and whether that effort has been for the sake of rapid profit and enrichment or for the sake of implanting the principles and aspirations of development. The coming years will bring the groups which show their national spirit and their achievements on behalf of development into prominence.

[Question] To what extent has the private sector benefitted from purposeful government facilities and aid, such as loans, aid and so forth, in its participation in national development to realize the basic goals of the national development plans?

[Answer] I consider that the question should be as follows:

Have the gains which the private sector has realized through these facilities constituted quick strokes of material profit and personal enrichment, or does the government, through these gains, acquire the desired benefit in the development programs and various development plans?

To answer that question in this form, I would say that the government has sacrificed and has not been deficient in any field, starting with education and going up to the major projects, in order to realize the general benefits which will accrue to the nation through those fields; moreover it has sought to advance some of the work which can contribute to developing the citizen and implanting the feeling of citizenship in his thinking and style. In reality, that now exists here. That is now manifest in the sector of agriculture and the sector of industry, and other sectors. However, it should not be expected that the government will do everything. The opportunity is available for competent persons and people with talents to take part in national development.

Finally:

This is the picture of the private sector as it appears to:

The businessmen.

And the officials. From the features of the picture, in its final form, it appears that the private sector has not been remiss in keeping up with the development process -- indeed, it has maintained a presence. However, this presence has been marred by hesitation at times, fear at other times, and slowness in responding at most times.

Furthermore, the private sector's efforts have been rebuked for aiming only at rapid personal gain in some of their aspects. We do not deny that people should aspire to gain, but when that is at the expense of honorable sacrifice for the nation, that requires that we take a pause to review the situations and hold ourselves accountable during it.

The government, in the words of His Majesty al-Fahd, has repeatedly and frequently declared its concern to open up sources of livelihood to the citizens. It has been a matter not just of a verbal declaration, but rather a practical application deriving its spirit and body from tolerant Islamic law and spreading out its shadow over the actual state of life.

Does opening up the sources of livelihood mean, however, that the individual should live just for himself? Does it ultimately mean failing to repay the country and refraining from sacrificing oneself?

The strategy of the fourth plan has taken a favorable view of the private sector, has made it possible for it to contribute all its weight to the development process and has provided it with every facility which will have the effect of helping it venture toward the most perfect cultural construction. Does this sector appreciate this confidence? Will it realize the hopes that have been attached to it?

That is what we are awaiting an answer to!

We have still to pause briefly before the sacrifices of the private banks, to see what direction these banks are following in directing capital.

That is on the one hand. On the other, there remains, also, the second part of the issue, which is related to the human element and the extent to which the private sector has embraced competent domestic persons.

That is our appointment with the next issue, God willing.

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[Text] A statement that is frequently repeated is that it is harder to build men than to build cities. Nonetheless, it would be good for us to remember this fact from time to time. In this subject of ours, the subject of national development and the private sector's policy on participating in it, our need to have the government emphasize the employment of Saudi labor as much as possible becomes intense. This emphasis on the part of the government, embodied in the strategy of the fourth development plan, does not just come about in its capacity as a national duty -- rather, it also comes about as an embodiment of a total conviction that the process of development in any sector is founded on two basic elements, capital and the human element. It is no secret to anyone that in the past three development plans the kingdom has followed a balanced strategy which had the aim of realizing growth in all sectors. Thus the country, among other things, has witnessed a great takeoff in education in all its stages, and thus, also, the country has set out the sound bases for providing capable domestic personnel who are armed with science and knowledge and prepared at the same time to assume the reins of affairs in practical life and to participate to the extent of their preparedness and their affiliation with the richness of this nation in the process of construction and self-sacrifice.

Today:

Should the country hold its members to account for what they have offered it, or should everyone take a pause to reflect for a period in which to review themselves and hold themselves accountable?

That is our question today.

However, before starting to answer that, we would like to complete the analysis we began of the state of the private sector. We would like to discover the private banks' contribution to the process of national development, in order to see what direction these banks are headed in directing capital. With this discovery, we will have completed the expanded field investigation, we believe.

'Abd-al-Rahman al-Rajih: Banks Have Contributed a Substantial Role to the Private Sector

Our meeting was with Shaykh 'Abd-al-Rahman al-'Abd-al-'Aziz al-Rajih, the owner of the al-Rajih Commercial Exchange Company, and the answer was his question:

What is the role of the private sector in comprehensive development? Has this sector realized the goals demanded of it?

Shaykh 'Abd-al-Rahman said:

"With thanks to God, our country has been witnessing a comprehensive upsurge which is like a miracle, in all fields and in a short period. We are now in the ranks of many countries which have spent a long time achieving eminence in the cultural, agricultural and industrial resurgence.

"If one had seen our country 25 years ago, this development would have been [considered] a dream, and not reality.

"The resurgence of nations is based on its men's arms and the cooperation of our upright government with the people of this good land has caused its fruit to ripen, with thanks to God. In all the industrially and agriculturally advanced countries of the world, resurgence is founded on the concern of the patriotic businessmen in these countries.

"Here in our beloved country the private sector is playing a great role in contributing to the great development our country has attained, since major agricultural and industrial countries have been established, and that was through financing of the private sector.

"The Saudi businessman, thanks be to God, has been endowed with a positive attitude in understanding good technical activity in order to respond to vital needs, and he now possesses much commercial and technical expertise and information for designing and carrying out various projects by the most modern scientific methods, causing him to win the confidence of our upright government and occupy a distinguished position among the businessmen of the world.

[Question] What about the contributions of the banks in this area?

[Answer] The banks and houses of financing in the private sector have contributed a substantial role in terms of offering short- and long-term loans to carry out these industrial and agricultural projects. Our country's products now are on a par with many imported goods. It is also worth pointing out that in view of the economic development and material prosperity of past years, and out of this sector's belief in the need to have competent Saudis help take part in the attainment of progress, this sector has provided accreditation and has sent a large number of Saudis competent in all areas abroad to play their part in managing these projects with high competence, God willing.

My hope is that the media, especially television, will be used to encourage young people to enroll in industrial and agricultural institutes in order to bring about greater participation in national development.

Faruq 'Abd-al-Majid: The Banks Respond to All Applications for Financing for Projects in Which Early Signs of Success Are Present

Mr Faruq 'Abd-al-Majid, appointed member of the board of the Arab National Bank, anticipated us by stating:

"Comprehensive national development is the duty of all, and the strategy of the fourth plan includes an important role for the private sector in the comprehensive development to which we must aspire. The government has not stinted with anything, material, human or moral support, loans or other facilities which have been given to the private sector for its participation in national development to achieve the basic goals of the national development plans.

That is clear with the provision of self-sufficiency in food, especially the encouragement of farmers to cultivate wheat and other scetors, be they industrial or agricultural. The fact is that there is broad scope for the private sector to play its part in national development as it should.

[Question] In your personal opinion, has the private sector played its part in national development, or will it still need some time?

[Answer] At the start of the upsurge that accompanied the first and second development plans, the government spent much money achieving as much national development as possible, and therefore buying power became great and some inflation appeared, leading the prices of land, for instance, to double in very short periods of time, and people became accustomed to this sort of rapid gain which did not prompt them to think about such long-range gains as the construction of industrial or agricultural projects or the like. That is the nature of man and the ordinary course of life, but when matters started to proceed in a normal fashion and most development projects came to an end, the private sector began to turn toward industry, agriculture and other projects which could help in national development, and in reality the kingdom is now progressing on sound bases, especially in industrial development.

[Question] The accusation is made of banks that they have not played their part as they should in national development plans and that they have resorted to consumer lending, not productive lending, in addition to freezing capital, such as deposits, without investing them in projects which will bring general welfare for the nation. What is your comment on that?

[Answer] The Kingdom of Saudi Arabia, thanks be to God, is considered one of the countries with the greatest cash liquidity, and this is reflected in the private sector and in national development. In reality, the banks respond to all applications for financing, although they still have a surplus in the form of deposits. In spite of the drop in oil prices, prosperity, thanks be to God, is still spread out over the country and liquidity is still great. The duty of the banks is to finance every project in which there are guarantees and early signs of success, or what they call the attainment of economic feasibility from the project. Banks cannot finance projects which they consider are not feasible or which might cause a loss in the future. Indeed, my personal opinion is if the banks have not helped projects which are not fruitful and do not have economic feasibility, they will thereby have served the client, because they will thereby be saving the client's money and also the banks' money, because the banks' money is the citizen's money, in the form of deposits, which we must preserve. The banks play an important role in national development, although we have been hoping that that participation in development will increase day by day.

Muhammad Al-'Abdallah Al-Khayyal: The Bank Sector Has Played a Positive Role in the Saudization of Banks and Development of Their National Systems

The third meeting was with Mr Muhammad al-'Abdallah al-Khayyal, the regional director of the Saudi British Bank in Riyadh. Regarding the private sector's participation in comprehensive development, he replied by stating,

"It would be just and fair to praise the participation of the private sector and its positive role in the context of comprehensive development. Its responsibility has been active and effective in the process of construction and development and the formation of domestic personnel and institutions which have helped spread awareness and transfer technical and administrative knowledge and expertise to our Saudi society.

"These contributions have been clearly manifested in the following economic sectors:

"The bank sector. The private sector has played a positive role in participating in the Saudization of banks and therefore the development of their national systems.

"The sector of industry, where industrial areas have expanded and productive plants have proliferated.

"The sector of agriculture, where the area under cultivation has increased and agricultural production in the form of crops and dairy and meat products has been abundant to the degree of self-sufficiency in some crops, and some others are being exported.

"The commercial sector. This has expanded in a large manner, providing all consumer and production materials and products.

"The increase of domestic companies and organizations in the construction, redevelopment, road construction and dam building sector.

"The increase of corporations in the areas of transportation and agriculture, various service areas, and different forms of economic, social and cultural activities, in addition to the proliferation and spread of consulting firms in accounting, engineering and agriculture, and the activities these firms perform which effectively contribute to the development of performance, the elevation of productive competence, and the enhancement of management and accounting system levels and methods."

The Private Sector and Saudi Labor

This is how the answers of our guests who are in charge of the affairs of private banks and financial institutions were phrased, with emphasis on the fact that the financing houses have kept abreast of the course of development and have intensively welcomed participation in everything that will have the effect of adding new bricks to the edifice of the progress of civilization on behalf of the kingdom. There is just one reservation regarding the financing of development projects, and that is the need to realize economic feasibility from every project. That is a logical reservation which we consider the financing houses have the right to stipulate, not just to save the banks' money but also to make the client avoid anticipated losses in the future.

However, the significance of this reservation, as far as we are concerned, extends to embrace a larger concept, whose gist is:

How can the economic feasibility of any development project be realized?

The answer in brief is that it is realized through serious scientific studies. These studies come about as a result of the preparation of domestic personnel in a good scientific manner, on the one hand, and, on the other, the provision of opportunities for these personnel to take their share of responsibility and sacrifice. It is correct that the kingdom, at the beginning, tended to attract the best human expertise from outside the kingdom, but it is also correct that it did not ignore the importance of the human efforts of the people in this nation, because, in the course of building up basic facilities, the government concentrated on health, and also concentrated on education. The figures bearing on health and educational services increased a number of times over, as with social care services, which had the greatest effect in preparing productive personnel, and we can observe their effects and results in work in the government sector. What about the preparation of personnel to take part in the private sector?

At the symposium of the Chamber of Industrial Commerce in Riyadh, his excellency the minister of planning said,

"We must for example provide an adequate number or a suitable proportion at least of Saudi graduates for the private sector who will take part in the

administration of these many facilities which we ourselves are asking the private sector to build."

That is as far as the orientation of the government is concerned; what about the orientation of the private sector itself?

What Is the Position of the Financing Institutions?

Now that we have become acquainted with the contribution of private banks and financial houses to the financing of development projects, we now come to their contribution in preparing personnel.

We asked the question of Mr Muhammad al-'Abdallah al-Khayyal, the regional manager of the Saudi-British Bank in Riyadh, stating,

"It is said that the private sector has not contributed to the preparation of qualified domestic personnel in order to achieve self-sufficiency in domestic labor, but that it has been content to bring in foreign experts, qualified and unqualified, and leave the people of the nation in the position of observers. What is your comment on that?"

[Answer] The demands made by the upsurge in civilization over the past 10 years have required that the public and private sectors seek the aid of qualified foreign experts and workers, and perhaps some who are not qualified as well, at other times. However, at the same time, the public and private sectors have striven to qualify and prepare domestic personnel through training centers, and also through study and training missions domestically and abroad, and this has strengthened and ensured the preparation of large numbers of domestic personnel who have assumed, and will be assuming, their responsibilities and duties toward their national contribution to the building up of the domestic economy.

No doubt there have been some perversions of the rule, but those who can be accused of being liabilities to the private sector can be counted on the fingers of one hand and they represent a group whose role has not gone beyond that of realizing their own selfish interests in ostentatious, publicity-directed ways, which has had the worst effect on their role and participation in development.

[Question] What economic yield in your opinion accrues to the government and the private sector when it plays its part as thoroughly as possible in preparing and training domestic personnel?

[Answer] The most beautiful saying which shows the economic yield that accrues to the government and the private sector through the preparation and training of domestic personnel is the one which says: "You are your own best friend." Domestic qualified trained personnel are the best for performing the process of construction and participating in the transformation the kingdom is going through now, in view of the character of sincerity and sense of affiliation, as well as interaction with the process of social and economic development and advancement of the systems and methods of accounting and management. That constitutes an important and

vital part of the formation of the infrastructure which must be furnished to play its national part in coping with development plans and then transforming them into a tangible, living reality in the life of our coming generations.

Yes. "You are your own best friend." What is more eloquent, and what is more truthful, than the significance of this saying"?

If the upsurge of civilization over a decade of time has made it mandatory that one seek the aid of qualified foreign experts and labor, what about the current status of this labor, and what about the domestic alternative?

Ahmad al-Shubayli: We Have Rejected No Application from Any Young Saudi

The question is still at issue, casting its shadow on the state of things. We posed the question to Mr Ahmad al-Shubayli, the assistant appointed member for administrative and organizational affairs in the Arab National Bank. We asked him:

"In your view, have the private sector organizations played their part as they should by sending the largest possible number of Saudi trainees and students abroad to obtain study courses or credentials in their field of work, so that they can benefit from them in the future rather than experts brought in from abroad? Or is their role a negative one in this area, so that the Arab National Bank is a model in responding to this question?"

[Answer] I cannot say that all the organizations in the private sector have not done their duty as they should in training young Saudis abroad, and I cannot say that they have all done their duty as well as they could.

For example, our policy in the bank is to encourage all our Saudi brothers to develop the workforce and therefore we have been interested in bank training for young Saudis in the kingdom. To bring this about, we erected a training institute in 1980 as a small nucleus for that, and supported it with the competent persons necessary for training and giving trainees bank experience.

I can give you some figures which will indicate the care we have devoted to the subject of training young Saudis. In 1982 we trained 164 new Saudi employees and in 1983 the number of trainees leapt up to 359. That is just in the domestic training center.

We have also trained 16 employees in the Monetary Authority's bank training institute and 10 employees at the symposia that the Chamber of Commerce and Industry in Riyadh has held, and about 54 employees have been trained at local symposia in universities and so forth. This is as far as local training in the kingdom goes.

[Question] What about training outside the kingdom?

[Answer] As far as training outside the kingdom goes, we have sent 30 Saudi employees on training courses to the United States, Britain and Bahrain. If

these figures show anything, it is the role some private sector organizations are playing in training qualified young Saudis to perform their duties and preparing them for technical and managerial leadership in the future.

Last year, for example, we had 12 Saudi managers, this year they came to 32, and so on. We are giving every competent person a full opportunity to occupy the position that is suitable for him.

We now have 100 Saudi youths who hold bachelor's degrees and 35 who hold masters' degrees.

[Question] What, then, are the reasons why many private sector organizations plead that there are no vacant positions for Saudis, and at the same time hasten to bring in non-Saudi experts?

[Answer] Our policy in the bank does not involve any such plea. Rather, to the contrary, we reject no application which any young Saudi who has ability, competence and the right credentials presents to the bank. Rather, for the sake of developing the labor and training the leaders we have, we have set out a long-range plan and actually sent out 40 Saudi employees last year to study in American universities to get bachelor's degrees in banking and finance, so that in the future they will be leaders in charge of important activities in the bank. This year, God willing, we will also send 40 young Saudis abroad, and that will all be at the bank's expense, in order to train competent domestic people.

[Question] Some domestic leaders in the private sector have a love of administrative control and it is possible for them to achieve that only by bringing in groups which are adapted to that situation. What is your comment on that?

[Answer] In reality I cannot judge or comment on that sort of phenomenon in the other private sectors outside the bank but this sort of phenomenon is not to be found here, actually. The system we have distributes authority and there is no centralization of authority. Rather, there is total affection and mutual understanding among the domestic leaders and other people of various nationalities working in other sections of the bank. We are all a single hand, and there is no difference between Saudis and non-Saudis. We are all proceeding along a single road, to uplift this nation.

Mr Faruq 'Abd-al-Majid concluded the views of the people in charge of financing houses with the same emphasis on and receptivity toward domestic competent persons. Commenting on the phenomenon of leaving positions vacant because there were no qualified domestic replacements, he said:

"This phenomenon may be found in some private sector organizations, and might not be found in others. If you talk about the bank, as an example, we do not make contracts with any non-Saudis except to fill needs which we actually have on the job, where there are no competent trained Saudis to take their place. These persons come so that we can benefit from them in training and in banking expertise, and also to fill the shortage in new branches that we open in various areas of the kingdom. Therefore, we bring people in only if need so requires."

Mr Faruq added,

"Those whose contracts have ended and for whom we no longer have any need we thank for their period of service. They know that their contracts are temporary and that the contract is the law of the contracting parties, until their work is handed over to young Saudis who take their place. If we are in continuing need of them, we renew their contracts. This is because we benefit from their expertise and their competence, and therefore we cannot say that we thereby are helping a portion of the kingdom's national income seep out on non-Saudi human services for which equivalents exist in the country, because essentially we do not make contracts with any non-Saudi expert unless a domestic replacement cannot be found for him at the present time.

What Do the Businessmen Say?

In this manner, the responses of the guests who are engaged in the activity of banks and banking institutions followed one another in succession, each one asserting his receptivity to qualified competent Saudis and the granting of opportunities for them to take constructive part in the process of domestic development.

Will the matter, however, end with mere receptivity?

We aspire to more than that. We aspire to evaluate the practical experience which the citizens have embarked on in the private sector, and we aspire to learn the positive aspects of actual practice, as well as its negative aspects. Last but not least, we aspire to discover the sound orientation which these competent domestic persons must pursue, in their capacity as the true wealth of our beloved nation.

Fallah al-Qathami: The Individual Saudi's Contribution Is Deficient and Sterile -- Why?

At the start, Shaykh Fallah al-Qatami anticipated us with this bold view:

"I can say that the individual Saudi's contribution to the development programs, and his ability to occupy his position in various sectors, is deficient and sterile."

[Question] Why?

[Answer] That can be attributed to a number of causes, among them purely psychological ones, the residues of customs and traditions of the past, causes which concern the Saudi individual personally and his ambition to attain very high positions which will enable him to issue orders and instructions, and other causes which lie in the shortage of trained, technically qualified manpower.

[Question] And the solution?

[Answer] I believe that we now most urgently need to have the media direct themselves toward this area, in order to deal with it in a manner that is in

keeping with our needs and the nature of the coming stage. We are also in need of improving and developing the labor and workers' statute, especially as regards domestic labor, so that it will be feasible for us in the future to reduce foreign labor and seek to Saudize all the economic structures in the country.

Shaykh al-Qathami then went on:

"I can firmly state that this matter can be remedied only by increasing the number of vocational and technical institutes, and setting out training programs for some advanced areas and fields of specialization which the development plans in the kingdom require."

'Abd-al-'Aziz Al-Sulayman: We Planned without Attention to the Existence of the Saudi Individual!

While Shaykh al-Qathami evaluated the contribution of the Saudi individual in the light of four factors, Shaykh 'Abd-al-'Aziz al-Sulayman considered that the absence of Saudi personnel in our development programs could be attributed to two main causes, which he described by stating:

"The absence of Saudi personnel can be attributed to two main causes, time and numbers. Time was not available at the beginning of our programs, because we were working and planning without attention to the existence or nonexistence of the Saudi individual, so that we could benefit from the opportunities that were available and invest our money and the wealth that God bestowed on us in comprehensive projects such as the construction of roads, the building of facilities, and so forth.

"As for numbers, as is well known to us, we are a small country in terms of numbers, and our attention to education was late in developing, substantially delaying the appearance of Saudi personnel in these projects. I believe that now, through the stage we have passed through, we have numbers of educated people who might not be sufficient but at least are able to lead and assume their positions in all sectors. The approach will continue, step by step, until it becomes feasible for us to plug the gaps through which the foreigners come in."

'Ali Shabakshi: The Saudi's Position Must Be Close to the Decisionmaking

In the first part of the essay, we learned about the opinions of Shaykh 'Ali Shabakshi, which were embodied in the demand for the establishment of a number of corporations in various areas for the reasons mentioned above. In this section, Shaykh Shabakshi's talk revolved about the human element, to round out his overall notion of the idea of the corporation. He said,

"The subject of the availability of Saudi manpower in factories, plants or shops is one that needs to be corrected. I am not so insistent on the principle of the rate of Saudization in given plants or locations as I am anxious to know the nature of the role this Saudi plays in the plant or elsewhere.

"Yes, I am not dazzled by percentages, especially since there are large numbers of Saudis who perform the work of attendants, messengers, drivers and guards!

"What I want is that the Saudi's position be close to the decisionmaking, and this point leads us to the subject of corporations, which means providing new numbers of people who will be taking part in the factory and will have a leading role in it.

"Look, for example, at the agricultural company in Ha'il, which His Highness Prince Muqrin ibn 'Abd-al-'Aziz started with, after which other companies followed in Tabuk and Qusaym, and how people's interest in these companies and their participation in them have advanced, because they represent the total picture."

Hamad Muhammad Al-Jumayh: In the Private Sector, We Believe in Field Work on the Job

The question on the degree of the private sector's reliance on non-Saudi experts was reiterated with the businessman Shaykh Hamad Muhammad al-Jumayh, and this was the reply:

"As far as the role of competent domestic persons goes, we observe that the numbers are constantly increasing in the area of management and scientific and technical specializations. For example, you find the majority of the leadership positions in our company are in domestic hands, especially with the last 3 years, since many citizens have assumed important positions in these areas."

[Question] What is your evaluation of the citizens' efforts in these positions?

[Answer] They have indeed proved their capability.

[Question] Are there training and preparation centers in the private sector?

[Answer] There are some companies which have established specialized training centers for the preparation and accreditation of competent domestic persons to work in the factories belonging to these installations or to pursue marketing or administrative activities in each company's field of specialization. We in the private sector believe in field training on the job, where the employee who is newly brought in will have passed through levels of study in the theoretical areas and it is then time to put those into application in the field, and the scope for that will be within the installation.

That is the training the companies offer. Of course, in the field the new employee will refine his talent and increase his knowledge, and that is to be considered one of the best ways of developing the citizens' abilities in the technical and administrative senses.

[Question] Why do citizens normally occupy the lower positions in the private sector?

[Answer] They might in foreign companies operating in the country, but as far as the domestic firms go, many of the leadership positions are in the hands of competent domestic persons, whose number is increasing, as I mentioned above.

Ahmad Tahir Al-Tayyib: Where Are the Capable Saudis We Are Doing without?

Mr Ahmad Tahir al-Tayyib, the director general of the Rajab Company in Riyadh, concluded the businessmen's discussion of Saudi personnel by stating:

"We observe that domestic organizations and companies are always trying to develop the technical, administrative and financial system with Saudi personnel who are educationally and practically qualified, since the Saudi staffs are the basis by which the private companies are developed. These personnel are the hope of each company. However, the ambitions of the Saudis who have newly graduated are greater than their educational and practical fitness and ability. The private sector and leadership positions need expertise, patience, forbearance, and concern, but young Saudis want an office, a secretary and greater comfort.

"In view of the scarcity of qualified Saudis, the demand for them is much greater than the supply, and this gives them broader opportunities in various banks, corporations and factories.

"The hope of the domestic corporations and privately held companies, as well as the factories, is to obtain the greatest number of capable Saudis in order to train them and qualify them to assume leadership positions. As for doing without them, where are they, so that they could be done without?"

Faced with this question, it was necessary to cease going on with the inquiry. Once again, the businessmen declared their receptivity for competent domestic persons and their intense enthusiasm to have them take part in bearing responsibility.

Once again, also, they stressed the scarcity of manpower native to this country, which has required that one seek the aid of scientific experts in the form of foreign labor.

In addition, there has been emphasis on assigning many leadership positions to people native to this country who have been given knowledge and learning and have been supplied with numerous opportunities for practical activity in the field.

Shall we crown these assertions with another evaluation which assumes concrete form through our meeting with Mr Ahmad al-Yahya, the deputy minister of labor and social affairs for labor affairs?

Ahmad Al-Yahya: The Guidance of Saudi Labor in the Private Sector

In meeting with him, we asked him:

"The private sector is accused of bringing in non-Saudi experts. In this manner, it is contributing to social dependency, disguised unemployment and the accumulation of domestic classes of people with theoretical training, such as officials and administrators. What would your comment on that be?"

Al-Yahya: In my estimation, in spite of my respect for any viewpoint you might feel sympathy with, this notion is a theoretical one, for a number of reasons. There are no conclusions for specifying such a statement, and therefore we must analyze the labor market, its requirements and needs, the types of experts and competent persons it needs, and the job descriptions. This is on the one hand. On the other, we must analyze the existing situation, which is called "supply." Do we in the local market have a large number of such competent persons? Do we have all the job applications of various descriptions for requirements? Are young people crowding about the labor offices to apply for work? And other phenomena.

We are supposed to analyze all these phenomena so that we can come up with specific conclusions.

The question now is, what is the size of the workforce we now have?

The answer is that we have large numbers of people working but that job requirements will continue to absorb more than these numbers. We also have large numbers of young people in the universities, schools, training centers and technical institutes and these people are proceeding in the proper direction. I wonder, does bringing people in constitute a stumbling block to the employment of young Saudis?

I can also reply, I do not believe that we have unemployment of an economic nature in labor, and if there is disguised unemployment that exists among people engaged in economic activities in the form of their poor distribution of labor. Therefore, I continue to state that every Saudi applicant for a job will find the job that fits him.

AL-YAMAMAH: Article 80 of the Saudi Labor Statute stipulates that it is not permissible for an employee brought in from abroad to have a monopoly of special privileges if he is on a par with his Saudi counterpart in terms of qualifications and expertise. However, the application of the statute in some private sector organizations has a contrary effect, and most of the incentives, privileges, allowances and high salaries are the good fortune of the people brought in from abroad. Why?

Al-Yahya: I consider that no matter what we say about giving an opportunity to Saudi citizens, we will fall short, because the Saudi citizen has every right to obtain all the opportunities that exist. However, that does not mean that every employer who has administrators, employees and so forth should give further incentives and raise wages. That should be done only if he feels there are results from it.

As for discriminating in favor of Saudis through allowances and other incentives, there are different opinions on that subject. However, if the Saudi is on a par with non-Saudis in terms of qualifications, expertise and so forth, the Saudi will continue to have priority in everything!

AL-YAMAMAH: Some people in the private sector have been unanimous in making important complaints, whose gist is that young Saudis do not exert the necessary effort of working in the private sector, that a large percentage of them leave work after periods of time that do not exceed a month or two, and that non-Saudis are more self-sacrificing and exert greater effort than them. What is your comment on that?

Al-Yahya: If you look at the actual nature of the situation now, you will find that the exertion the Saudi manpower makes in the private sector is minor, and that is because of its "absence." However, where does the absence lie? It is absent for a lofty goal, which is to prepare and train it; most of the Saudis are in universities, schools, training centers, technical institutes and so forth. Therefore we must not rush things. Rather, we must meet our requirements through non-Saudi manpower, until the day comes soon when trained, prepared Saudi personnel will be flowing into the labor market and the picture of the situation of this market as it now exists changes.

AL-YAMAMAH: If the absent Saudi manpower is in the universities, training centers and technical institutes, how do you explain the phenomenon of many young Saudis' leaving work in the private sector after a short period of time?

Al-Yahya: People, by their nature, are always looking for better things. Young people are looking for good salaries, good work, incentives and other benefits. Therefore, it is normal that a young person should leave the organization he is working in, in order to go to another organization whose material enticements and incentives are greater, and so forth. If rules and bills are set out to change that, the organization will not be able to benefit from the efforts of the persons who work in it and are not settled in the psychological and material sense. In addition, the difference in wages in the private sector for the same job is not a good phenomenon. I know a director of personnel affairs in a given company who has a salary of 25,000 riyals per month, while another director of personnel affairs in a factory does not get a salary of more than 7,000 riyals. This discrepancy creates confusion in the economic and productive process in the private sector, and that is not to be found in the government. Also, the type of labor: when wages are equal, the job applicant seeks work that is more comfortable in a large office with air conditioning and so forth, and that is human nature.

In addition, the private sector focuses on labor whose wages are minor and low, and the Saudi citizen does not accept that sort of wage.

AL-YAMAMAH: Many young people complain that work in the private sector does not offer guarantees for their future. Is that correct?

Al-Yahya: It is not correct, and that talk is to be rejected. To the contrary, the government has devoted attention to the private sector and has devoted two statutes to it for which the equivalents are not to be found in the region. These are:

First, the Saudi Statute of Labor and Laborers.

Second, the Social Insurance Statute.

Workers in the private sector enjoy care and the protection of their rights to a large degree, and are given compulsory Social Insurance Statute benefits. These two statutes create protection for the people working in the private sector.

AL-YAMAMAH: Could we state that the private sector has absorbed competent domestic persons?

Al-Yahya: I can state that the private sector has thousands of vacant positions. These are vacant because they are now occupied by temporary competent [foreign] persons, and therefore they will remain vacant until Saudis work in them.

The citizens still have many opportunities before them; if we have 1.5 million non-Saudi workers, that means that we have room for work for 1.5 million Saudis.

AL-YAMAMAH: How are the Saudi citizens in the private sector employed?

Al-Yahya: We have 35 labor offices spread about in all areas of the kingdom. These offices have special employment departments called employment offices. The labor offices tabulate vacancies, then an employment specialist receives citizens' employment applications and everyone submits his qualifications and expertise and the place where he would like to work. Coordination takes place with the qualified person and the expert and the suitable work place, so that the citizen may then be given a position.

We are trying to create all the positions which will carry out the employment process in a manner to which the persons aspire. We are intending to guide Saudi labor in the private sector and also to set out a plan for employing Saudis in banks. We have accurate statistics on all the people working in banks, in terms of their qualifications, their expertise and their wages, and we will set out the measures with each bank separately and fill its empty positions through the applications of the citizens who are fit to work in banks where their expertise and credentials qualify them to do so. After finishing with the bank sector, we will start with other productive sectors such as the cement plants and so forth, and thus the Saudi labor will be guided in various activities of the private sector.

Finally:

This is the sum total of the views which the guests on the subject presented concerning the private sector and the extent to which it is helping to build up the nation through the comprehensive national development process.

The guests dealt with two aspects of this sector, its investment activity and development projects, and the competent domestic people who are in charge of it. As the readers will note, there is unanimity, or near-unanimity, on the importance of the participation of the private sector, in its capacity as the backbone of any country's economy, especially a country with

an economically open market, such as the Kingdom of Saudi Arabia. If there are observations on the nature of this participation, they as stated previously may be summarized by hesitation, fear, and sometimes an inclination to invest rapidly, to realize personal benefits at the expense of true economic feasibility which can contribute effective, enduring gains to the nation. As for the hesitation and fear, we might find that they have an emotional justification in the historic circumstances which have surrounded the entire development process and the awakening of civilization which has accompanied that, requiring that new techniques and approaches be discovered. In addition, we can find a fruitful future cure for them, as embodied in the provision of information for the people. According to the contents of the strategy of the fourth development plan, emphasis has been laid on providing the necessary information to the private sector through the same agencies, since departments in the Ministry of Industry, for example, can assign the Saudi Investment Company to assemble these studies and provide them for investors, and so forth.

What, however, are the excuses on which some people's tendency to make rapid investments at the expense of proper domestic self-sacrifice might be founded?

In another area, all the people taking part in the discussion, businessmen, people in charge of financing institutions and officials, have expressed their extreme concern for domestic manpower and their warm receptivity toward it. However, in evaluating domestic self-sacrifice, we observe that qualified domestic manpower has held back making contributions, except rarely, as the situation will testify. Most people working in the private sector have not completed their studies, and this keeps them away from many leadership positions in this sector and consequently isolates them from decision-making. To all that, one should add the existence of a psychological barrier between the private and government sectors.

In our mind, eliminating this sort of psychological barrier will require serious media guidance that is sensitive to the importance of vocational training centers and the country's need for scientific experts in various sectors, in order to prepare trained domestic staffs and to provide alternatives to foreign experts.

Not only that, but we request that qualified manpower be encouraged to take part enthusiastically in the activities of the private sector by raising wages or by codifying further legislation which will guarantee further psychological confidence for the worker concerning his present and future.

Will the demand be realized?

Will the appeal be answered?

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ECONOMIC AGREEMENT WITH SUDAN DISCUSSED

Riyadh AL-RIYAD in Arabic 1 Mar 84 p 11

[Article by 'Abd-al-Rahman al-Sa'dun: "An Economic Cooperation Agreement Has Been Signed with Sudan"]

[Text] Ahmad: "The agreement includes the principles and bases for facilitating and developing commercial, industrial, and agricultural cooperation between the two countries."

His Excellency Mr Ahmad Salim Ahmad, the Sudanese minister of commerce, arrived in Jiddah from Riyadh the day before yesterday in the evening after having signed the commercial cooperation agreement between Saudi Arabia and Sudan. His Excellency Shaykh Muhammad Aba al-Khayl, the Saudi minister of finance and national economy, signed the agreement on behalf of Saudi Arabia.

Yesterday morning Mr Ahmad made a tour of the Islamic Port of Jiddah. During that tour he saw goods being unloaded in the port and expressed his delight about what he was seeing there. He also held a meeting with Saudi businessmen in the Chamber of Commerce and Industry, and this meeting was attended by His Excellency Shaykh Isma'il Abu-Dawud, president of the Jiddah Chamber of Commerce and Industry.

After this tour, the Sudanese minister expressed to AL-RIYAD his delight about the development which he had seen taking place in Saudi Arabia, and he talked about his visit to Saudi Arabia and the signing of the commercial exchange and cooperation agreement between the two nations. He went on to say the following:

"The purpose of the visit to Saudi Arabia was to hold talks with Saudi leaders concerning the development of economic cooperation generally as well as commercial, industrial, and agricultural cooperation in particular. It was in this framework that the meeting with Shaykh Aba al-Khayl, the minister of finance and national economy, took place. During the meeting we discussed the possibilities of investment and what Sudan could do in terms of establishing principles and bases for encouraging this investment both in the private and public sectors.

"We also discussed customs and administrative steps and procedures which could both promote the development of trade between the two nations as well as put a stop to the illegal commerce and smuggling which is going on between them.

"We also met with His Excellency Dr Sulayman al-Sulaym, the minister of commerce. We talked about the same topics, and we also discussed the possibility of taking care of Saudi Arabia's needs with regard to some important commodities, the chief ones being sorghum, livestock, and meats. We also talked about the possibility of having some of the industrial goods in Saudi Arabia be exported to Sudan. In addition to these matters, we also discussed the importance of having Saudi Arabia's official participation--as well as the participation of private firms--in the Khartoum international fair since this was going to be an opportunity for Sudanese consumers to become familiar with the exports which Saudi Arabia has to offer.

"We also met with His Excellency Eng 'Abd-al-'Aziz al-Zamil, the minister of industry. We talked about the possibilities available in the two nations for achieving industrial cooperation. In particular we talked about raw materials, since Sudanese raw materials--in addition to Saudi raw materials--go into the making of products manufactured in Saudi Arabia.

"Another thing that was discussed was the possibility of joint industrial investment between the two nations for the purpose of marketing some of the Saudi products which are available for export as a result of the fact that Saudi Arabia has undergone considerable industrial development--particularly during recent times.

"We also met with His Excellency Muhammad al-Suqayr, vice president of the Saudi Development Fund. We discussed the fund's cooperation with Sudan, its support for projects there, the fund's participation in reconstruction projects in Sudan, and the possibility that this participation might increase in the future.

"As a result of these meetings and what was discussed with Shaykh Aba al-Khayl and his aides, we were able to conclude the economic agreement which has been signed. This agreement includes general principles and bases for facilitating and developing this cooperation between the two nations. This particularly applies to the transfer of Saudi capital to be invested in Sudan, means of encouraging the two nations to develop their commerce, and other important matters such as customs, cooperation between the two [customs] offices, making procedures easier, and stopping smuggling.

"The agreement also involves the formation of a joint follow-up committee to enable us to have meetings on the official level once a year, with the place of our meetings alternating each year between Sudan and Saudi Arabia, and in order that this agreement be implemented in practice. The emphasis was on the private sector and its effective participation in this realm because the people of the private sector are the ones who play this pioneering role and they are the ones who engage in the actual investment involved. A special law dealing with cooperation between the private sectors in Sudan and Saudi

Arabia will also be issued. In addition to this, meetings will be organized to discuss all means of achieving the objectives of those in the private sector such as [the creation of] a joint chamber of commerce or council of businessmen.

"It was also agreed that the joint committees should include, as members, a number of businessmen who could explain the difficulties and obstacles which they face and who could suggest useful proposals."

In his remarks to AL-RIYAD, Mr Ahmad went on to say that this agreement was a result of the close relations and ties which link the two nations and that this agreement was not the first of its kind. He then continued, saying:

"The first agreement between the two countries goes all the way back to 1964, and it was followed by an agreement made in 1969. Unfortunately, in the case of the latter agreement the ratification documents between the two nations were never exchanged because of certain circumstances which prevented this. But I consider the new agreement to be a more advanced type of agreement because it takes into consideration the positive aspects which have been in the previous agreements between the two nations and has introduced new provisions required by the changing circumstances which have arisen in recent times--in accordance with some of the agreements which have been signed in Sudan and Saudi Arabia within the framework of the League of Arab Nations with regard to investment and commercial exchange.

"The fact is that this agreement did not arise out of a vacuum. It was preceded by a very lengthy dialogue between the two nations."

I asked Mr Ahmad: "What about holding a Sudanese industrial fair in Saudi Arabia?"

He answered: "There is nothing to prevent this from being done. However, this matter needs to be studied and the benefits of holding such a fair need to be clearly identified. This is something that we have in mind."

I then asked: "What is the volume of commercial exchange between the two nations?"

He replied: "The average volume totals \$180 million. During the period 1980-82 Saudi Arabia was Sudan's number one trading partner as far as imports and exports were concerned. This is evident because of the extent of the volume of commercial exchange between the two nations. What we wish to do is to increase this volume of commercial exchange and develop it. This includes the export of grain products, meats, livestock, and a number of other commodities. As far as Saudi exports are concerned, it includes oil, industrial goods, and goods which are reexported from Saudi Arabia."

Concerning Sudan's requirement for petrochemicals which are manufactured in Saudi Arabia, Mr Ahmad said the following:

"Sudan needs these materials in a number of its industries, and right now it is importing them from other nations rather than from Saudi Arabia. However, I believe that it is possible for us to purchase some plastic materials [from Saudi Arabia], and these are the goods which we discussed the possibility of having exported from Saudi Arabia to Sudan.

"Sudan has not been importing some petrochemicals [from Saudi Arabia], and we attribute this to the fact that we have been unaware of the possibilities of their availability in Saudi Arabia. We would welcome [the idea of importing these petrochemicals], especially if the necessary means of transportation and communications exist. Khartoum is closer to Jiddah than it is to any other [principal foreign] city."

At the conclusion of his interview with AL-RİYAD, Mr Ahmad expressed his hope that this agreement would achieve the aspirations and objectives associated with it.

9468

CSO: 4404/374

IMPROVEMENT OF RELATIONS WITH SPAIN REPORTED

London AL-TADAMUN in Arabic No 47, 3 Mar 84 pp 12-13

[Article: "Madrid and Riyadh Are Both Anxious to Improve Relations"]

[Text] Saudi Arabia's relations with Spain are the best that it has with any Christian nation.

Juan Carlos personally extends a warm welcome to Saudi Arabia's high-ranking princes, and in his visit to Riyadh Prime Minister Gonzalez reaffirmed Spain's position as being that of desiring to continue its good relations with Saudi Arabia.

The recent visit by President Kenan Evren of Turkey to Saudi Arabia was the first visit that a president of Turkey had ever made to Saudi Arabia. Only 5 days after this visit and after the president of Turkey had left Saudi Arabia, Prime Minister Felipe Gonzalez of Spain began his official visit to Saudi Arabia. In any case, for Saudi Arabia the Spanish prime minister's visit represented a visit which was less troublesome for Saudi Arabia than was the visit of the president of Turkey. The reason for this is that Saudi-Spanish relations are relations which have greatly improved. In fact, one could say that Saudi Arabia's relations with Spain are the best relations which Saudi Arabia has with any Christian nation in the world.

A review of the official activity which has been going on between Saudi Arabia and Spain reveals the fact that Saudi-Spanish relations are relations which are continuing to be very vigorous ones. After King Fahd ibn 'Abd-al-'Aziz participated in the fourth Islamic summit meeting which was held in Casablanca, he made a private visit to Spain. A few months before that time Prince Sultan ibn 'Abd-al-'Aziz, Saudi Arabia's second deputy prime minister and minister of defense and aviation, had already made an official visit to Spain. One of the most important announced achievements of this visit was the agreement to support the Saudi Spanish Bank, which had already been established for the purpose of enabling Spanish firms to extend their field of activity to places outside Spain--both in Saudi Arabia and in other countries--by means of providing the Saudi guarantees and aid necessary for this to be accomplished.

The reason why it is being said that some of the achievements have been announced, whereas others have not been announced, is due to the fact that Saudi-Spanish relations also involve relations of a strategic nature. These latter relations include the effective development which has taken place in the process of armament as well as the consolidation of the bases of cooperation which is serving as an obstacle to Israel's continual efforts to undermine the Spanish position. For a long time--in fact, ever since the Camp David agreements were concluded--Israel has been endeavoring to convince Spain to establish diplomatic relations between the two countries. A sudden development once was about to take place in this regard which would have enabled Israel to attain its wish, but Saudi Arabia stepped in and applied pressure just in time--letting Spain know that Saudi Arabia would show no flexibility in this matter and that Spain had to choose between either establishing diplomatic relations with Israel or maintaining relations with Saudi Arabia which were steadily improving.

On the basis of information available to AL-TADAMUN, it is possible for us to say that King Fahd recently has obtained an official pledge that Spain will not revise its position. In fact, our information tells us that Spain will be more anxious to have good relations with the Arabs.

Prime Minister Gonzalez, Spain's political leader, is in agreement with King Juan Carlos concerning this position. The important thing here is that the king and his prime minister share the same opinion, and this is something which makes the Spanish position a firmer one.

Prime Minister Gonzalez has made clear--one could even say that he has reaffirmed--Spain's firm position in this regard ever since his first round of talks with the Saudi leaders.

In addition to this, one should point out the following two things: The first thing is that there is a warm relationship--if one may use that term--between the people in power in Saudi Arabia and Spain's top leaders.

Whenever one of the top-ranking Saudi princes goes on a visit to Spain--to Marbella in particular--to spend some time in his palace there, he receives a warm and official welcome even though his visit is a private one. This is a fact that is easily noticed whenever Prince Salman ibn 'Abd-al-'Aziz, who is the governor of Riyadh as well as the "prince" of Marbella, visits his palace on the coast of Spain. The official attention which he receives usually finds expression in the fact that King Juan Carlos endeavors to personally give an official banquet in his honor.

The second thing is that Saudi-Spanish relations began improving when the first step in this direction was achieved during King Juan Carlos's visit to Saudi Arabia in 1979. These relations continued to improve, and the late King Khalid's visit to Spain a few months before his death served to further improve these relations.

In the realm of the personal attention which is being shown concerning improving these relations, one should point out the fact that King Fahd held

a dinner in honor of the Spanish prime minister only a few hours after he had arrived in Riyadh. This was, to a certain extent, a departure from normal protocol, especially in view of the fact that Prime Minister Gonzalez was in Saudi Arabia for a 3-day visit.

As far as the official level is concerned, the delegation which accompanied the Spanish prime minister included the ministers of finance and economy as well as a number of top officials in Spain's Ministries of Commerce, Planning, Industry, and Technology. This means that no military talks took place, otherwise Prime Minister Gonzalez would have brought along some military leaders. But this does not mean that no military matters were discussed if there was the necessity to do so. There is good reason for holding this view because the Saudi leaders involved in the talks with Prime Minister Gonzalez were led by Prince Sultan, the minister of defense and aviation. In other words, Prime Minister Gonzalez did hold discussions with Saudi Arabia's decision-making authority with regard to military matters.

9468

CSO: 4404/374

BRIEFS

AID TO LEBANON--Mr Rafiq al-Hariri is the Saudi mediator who is endeavoring to bring about an agreement between the conflicting parties in Lebanon. His difficult task is not only a political one--it is also humanitarian in nature. This is an aspect which the Saudi king, Fahd ibn 'Abd-al-'Aziz, has been emphasizing and which he has been devoting particular attention to ever since the beginning of the Israeli invasion of Lebanon. Mr al-Hariri, with the support of King Fahd, has achieved great success in the political realm. The evidence of this fact is the first meeting held between Presidents Hafiz al-Asad and Amin al-Jumayyil in an effort to reach an agreement. This meeting is one which Saudi Arabia considers to be of particular importance because it is one which will bring Lebanon and Syria face to face on a summit level in an attempt to break the deadlock in relations between the two nations and open up a new chapter which will bring the two sister-nations back into the fold of their common family. In the humanitarian realm, Mr al-Hariri has been able to carry out the Saudi king's wish to send two ships to the port of Sidon carrying Saudi aid to be distributed to all of the families which have either fled or undergone forced relocation from the Shuf mountains and Beirut and have gone to Sidon to seek a place of refuge. Mr al-Hariri has emphasized the fact that it is necessary that this aid be distributed to all of the refugees, no matter what group or sect they belong to, and that no discrimination be allowed in the distribution of the aid and that no obstacles prevent its distribution. Mr al-Hariri went on to say: "King Fahd's wishes with regard to this matter are very clear. Saudi Arabia wishes to have all Lebanese--without exception--enjoy prosperity, security, and stability, and Saudi Arabia has endeavored--and will continue to endeavor--to have Lebanon and all of the Lebanese enjoy this prosperity. Its guiding principle is that of peace and love for all of the citizens of Lebanon, which is one of its sister-nations." One should mention the fact that this aid which has arrived at the port of Sidon is aid which falls within the framework of a Saudi plan to help the Lebanese overcome their crisis. The aid will be provided to all Lebanese refugees and groups in the various towns and regions of Lebanon. [Text] [Paris AL-MUSTAQBAL in Arabic No 367, 3 Mar 84 p 9] 9468

PLASTIC PRODUCTION TO BEGIN--The Saudi Basic Industries Corporation (Sabic) has signed an agreement with the firm UHDE, a branch of the German chemical firm Hoechst which specializes in the design and construction of chemical plants, involving the design and provision of technical equipment and participation in the construction of a complex for the manufacture of plastic.

materials. The project is a joint venture between Sabic and the Laki Group of South Korea. The complex will be built in the industrial area of al-Jubayl and will produce 300,000 tons of phenic chloride and 200,000 tons of polyvinyl chloride per year. These are two substances which go into the manufacture of plastics. The objective of building this complex is to provide the basic materials required by local plants which produce electrical wires and pipes. The agreement was signed by Mr Ibrahim Salamah, vice president and administrative head of Sabic. Work on the project is expected to be concluded by 1986. [Text] [Paris AL-MUSTAQBAL in Arabic No 367, 3 Mar 84 p 45] 9468

CSO: 4404/374

FIGURES IN AMENDED DRAFT BUDGET OF MINISTRY OF LABOR CITED

Al-Shariqah AL-KHALIJ in Arabic 4 Mar 84 p 2

Article by Mahir al-Kayyali: "After Reducing Its Draft Budget for 1984, Ministry of Labor Sends to Ministry of Finance Draft Budget Amounting to 638 Million Dirhams Covering All Provisions"

Text The Ministry of Labor and Social Affairs has sent its amended draft budget for the current fiscal year to the Ministry of Finance and Industry so that it may approve it and present it in turn to the Council of Ministers for ratification.

According to the appropriation proposed after the amendment, the budget total amounts to 638,268,232 dirhams.

The share of section one of the budget, covering salaries and wages, amounts to 70,750,232 dirhams, including 30,180,340 dirhams for permanent jobs, 13,210,384 dirhams for housing allowances, 4,975,608 for cost of living allowances, 13,671,600 for children's social allowances, 755,000 dirhams for hazardous work allowances, 1,320,000 dirhams for comprehensive bonuses and 500,000 dirhams for tickets for foreign contracts workers.

Meanwhile, the share of section two of the budget, including the current expenditures, amounts to 565,355,000 dirhams, including 5 million dirhams for social service centers and homes, 530 million dirhams for social aid, 7.5 million dirhams in aid for associations and clubs and 7.5 million dirhams for subscription to international organizations.

The share of section three, which includes the capital expenses, amounts to 2,163,000 dirhams.

In its amended form, the draft budget registers a drop of 139,807,860 dirhams below the unamended draft proposed for the current fiscal year.

The amendment comes within the framework of rationalizing spending, with the amendment covering some of the spending provisions in the budget.

The amended draft budget also registers an increase of 31,679,232 dirhams over the ministry's budget for last year.

8494

CSO: 4404/387

LAST YEAR'S BUDGET SPENDING ON PROJECTS REPORTED

Al-Shariqah AL-KHALIJ in Arabic 7 Mar 84 p 6

[Article: "Eighty-Two Percent of Appropriations Allocated for Projects Last Year Spent"]

[Text] Dubayy--The total appropriations for the projects implemented with the knowledge of the Ministry of Public Works and Housing amounted at the end of last year to 841.3 million dirhams, of which 690.6 million dirhams or 82 percent were spent.

This has been stated by Ahmad al-Tayir, the minister of state for financial and industrial affairs, who has added that the total appropriations for the electricity and water projects implemented with the knowledge of the Ministry of Electricity and Water amounted to 369 million dirhams, of which 261.5 million dirhams or 70 percent were spent.

The appropriations allocated for the projects of the Ministry of Agriculture and Fish Resources implemented with the knowledge of the ministry itself amounted to 136 million dirhams, of which 100.6 million dirhams or 79 percent were spent. Thus, the total appropriated for the projects implemented with the knowledge of the ministries of public works, agriculture and fish resources amounted to 1.33 billion dirhams, of which 1,052,000,000 dirhams or 78 percent were spent.

The projects implemented with the knowledge of the Ministry of Public Works and Housing include projects belonging to nearly 17 departments and ministries, including 148.3 million dirhams for the Ministry of Education, 61.7 million dirhams for the Ministry of Health and 186.9 million dirhams for the Ministry of Public Works and Housing.

The sum spent for the benefit of the Ministry of Communications amounted to 158.2 million dirhams, the sum spent for the projects of the Ministry of Agriculture and Fish Resources--projects implemented with the knowledge of the Ministry of Public Works--amounted to 14.8 million dirhams, the sum spent for the projects of the Ministry of Labor and Social Affairs amounted to 1.3 million dirhams, the sum spent for the projects of the Ministry of Islamic Affairs amounted to 15.1 million dirhams and the sum spent for the projects of the Ministry of Information and Culture amounted to 5,476,000 dirhams.

8494

CSO: 4404/387

INDUSTRY OFFICIAL URGES GULF INDUSTRIAL COORDINATION

Riyadh AL-RIYAD in Arabic 3 Mar 84 p 5

Article: "UAE Requests Establishment of Gulf Industrial Planning Agency; UAE Cement Plants Sell at Cost Price Because Production Exceeds Demand"

Text Al-Shariqah--An industry official of the UAE has asserted that the principle of industrial planning at the level of the Arab Gulf states is considered the most successful solution projected and an alternative to the small industrial units spread throughout the area's states and competing with each other with no logical justifications.

'Isa 'Ali, the director of the General Industrial Organization of Abu Dhabi, has demanded in an interview with AL-KHALIJ, issued in al-Shariqah, the establishment of a specialized agency to undertake the responsibility of general industrial planning in the area.

'Ali has noted that the Organization has prepared a comprehensive evaluation study of the industrial experience and of the industries that can be set up in the UAE in the future. After conveying a comprehensive survey, the study makes it evident that the limited nature of the UAE market curtails the type of industrial expansion accompanied by large-volume production because the economic feasibility of any project depends on the size of the markets consuming the production of such a project.

'Ali has proposed in this regard coordination with the Arab Gulf states in setting up plants because the presence of industrial units in the area's states will encourage such units to compete strongly in order to market their production and cover their costs.

'Isa 'Ali has pointed out that the volume of the annual production of the UAE cement industry amounts to nearly 7 million tons whereas the markets need no more than 2 million tons annually.

He has further pointed out that even though some Gulf states need to import certain quantities of cement, some signs indicate that these states will achieve self-sufficiency in 2 years at the most. This is why cement prices have declined and why some plants have resorted to selling at cost price.

'Ali added that the industrial feasibility study conducted in the UAE demonstrates that the capital costs will be very high, especially the costs pertaining to economic feasibility studies, when compared with the costs of the industrial countries. It is thus evident that these costs are exaggerated and that they are one of the means of fighting industrial development in the area so that the industrial countries may continue to dominate its markets and so that the area's states may continue to live and depend on the products imported from the industrial countries.

He has further noted that the international firms employ other means when bidding to construct industrial projects. They offer relatively low prices but keep in mind that they will make up for their loss in the long run by controlling the spare parts and equipment needed for a project in the future and by selling such spare parts and equipment at astronomical prices from which they reap enormous profits.

8494

CSO: 4404/387

UNITED ARAB EMIRATES

BRIEFS

IMPORTS THROUGH DUBAI--Dubayy, 16 March (WAKH)--The UAE's imports through Dubai ports for the year 1983 reached 4,959,054,484 kg with a total value of 19,557,688,650 dirhams. These imports included foodstuffs, live animals, beverages, tobacco, raw materials, mineral fuel, fat, oil, animal and vegetable fats, chemicals, machinery, automobiles, and various miscellaneous items. [Summary] [GF161227 Manama WAKH in Arabic 1114 GMT 16 Mar 84]

CSO: 4400/212

PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

NATIONAL ENVIRONMENTAL PROTECTION COUNCIL

Aden 14 UKTUBAR in Arabic 6 Feb 84 p 1

[Article: "The National Council for Environmental Protection Law is Promulgated"]

[Text] Comrade 'Ali Nasir Muhammad has issued the law of the National Council for Environmental Protection. Article One requires that the law be entitled "the law of the National Council for Environmental Protection." Article two stipulates that the council will be chaired by the minister of public health, and article three says that the council will be a legal person. Article four of the law requires that the council be composed of a chairman and several members, representing organizations that have a connection with protecting the environment. Membership is to be determined by a decree from the chairman of the Council of Ministers, in accordance with the proposal of the minister.

Article five stipulates that the council's headquarters be in the Governorate of Aden and allows the establishment of branches in the other governorates, in coordination with the chiefs of the executive offices of the local people's councils.

Article six of the law sets forth the areas of the council's activities, which comprise concern for the causes and factors of the environment harmful to the health of both man and animal, and to study this data for the purpose of putting an end to them or reducing them in the general environment or the work environment, and to maintain the purity of the water and air and prevent or limit any activity resulting in the occurrence of noise injurious to the health of the citizens. The council is obligated to implement the laws and regulations pertaining to environmental protection, and the law also stipulates the council's authority in preparing legislation required for environmental protection, submitting it to the Council of Ministers, and seeking the assistance of whomever it wishes that has the required expertise and competence.

Article eight of this law considers the council the authority in settling disputes arising among agencies concerned with environmental protection, while article nine tasks agencies concerned with responsibility for implementing the laws and regulations pertaining to environmental protection.

The remainder of the law's articles deal with nulifying any stipulation contrary to the provisions of this law, and especially the law establishing the National Council on the Environment, No 13 for 1976. They also stipulate that the minister of health shall issue the regulations, decrees and instructions to implement the provisions of this law, and that it is effective as of the date of its promulgation and publication in the official gazette.

7005

CSO: 4404/354

PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

CONSUMPTION OF PETROLEUM PRODUCTS DISCUSSED

Aden 14 UKTUBAR in Arabic 12 Feb 84 p 3

[Article by 'Umar Bawazir: "The Republic's Consumption of Petroleum Products in 1983 Reached 562,805 Tons"]

[Text] The National Oil Company's sales of petroleum products last year amounted to 562,805 tons. The company's sales figures established that the Governorate of Aden alone consumed 50 percent of the country's public consumption, while the Governorate of Hadramawt accounted for 20 percent of the public consumption.

With respect to the sectors, the governmental and cooperative sector consumed more than 65 percent of the total of the other sectors, followed by the private sector and the joint sector.

The secretary general of the Yemeni Socialist Party, in an important speech recently to labor and feminist leaders, pointed out that much of the consumption was by the utilities for fuels, which costs the state enormous amounts. He called for certain measures to be taken to help to reduce the quantities of oil used.

The secretary general's instructions were clear in this regard. He said:

"If we talk about oil, I believe that if we take a group of actions, they will share in reducing petroleum usage. There are cars being operated outside work, or in some cases for trivial jobs. Cars go to 'Aqqan, and cars are operated after working hours. I see them in al-Ghadir and on the roads after working hours. I do not think that the cars going to al-Ghadir, or that we see on the road to 'Aqqan, are being used for work, or that this official has any work.

"I think in fact that this situation must be stopped, in order to limit the use of oil, with the goal of ending the use of vehicles after working hours.

"I call on the unions, people's surveillance and the traffic authorities to put an end to this. I recall in the Ministry of Defense sometime ago, and in the popular police, they took certain actions to end the use of vehicles except for certain jobs. It is possible to exempt the hospitals and the shifts and to exempt some other utilities. However in general, we decided to ban the movement of cars for 1 day per week. By this means, the Ministry of Defense

was able to economize. "I also say that the ministries and organizations, if they practise similar measures and take similar actions, will be able to save millions."

We agree with the comrade secretary general. Yes state organizations and agencies can save millions, if certain actions are taken in order to guide the consumption of oil. Our proof of that is the guidance followed by units of the National Oil Company for the use of oil. Through the system that they followed, they have been able to save 30 percent of the expenditures paid out for oil prior to the guidelines.

What is this system that they followed regarding the use of oil?

Comrade Husayn Ahmad Salih, the first secretary of the party's rank-and-file organization in the company, says that in March 1983, the Supreme Leadership Committee in the oil organization looked at the question of petroleum consumption in components of the organization. During the meeting, it was agreed to develop forms to guide the disbursement of fuels, and later the operation of vehicles.

Upon instructions from the deputy minister of industry for energy and mineral affairs, these forms were discussed with the directors of the organization units and transportation officials. After they were approved, they were implemented in April 1983.

Upon what was this system based?

This system is based on several principles:

1. Each one of the company's departments was allotted a specific quantity of fuel for a set period.
2. There was an obligation to record trips in a trip record book.
3. Trip applications were submitted to the transportation official in order to request a trip, along with specifying the purpose.
4. Detailed reports were submitted from the transportation official to the component directors, with copies to the rank-and-file organization for information and to make any comments.

Because of our compliance with these principles and restrictions on the forms that we devised, we in the National Oil Company were able to save 30 percent of the expenditures made prior to this guidance, beginning last April.

7005
CSO: 4404/354

PLAN AIMS TO INCREASE FISH PRODUCTION

Aden 14 UKTUBAR in Arabic 9 Feb 84 p 2

[Article: "Major Development in Fish Sector Seen This Year"]

[Text] The fourth year plan of the third 5-year plan for economic and social development is aimed at developing the fishing industry and the growth of fish exports, in order to share in bolstering the national economy, as well as improving the supply of fish, which is one of the staple foods. This will be done through stimulating the production process in this sector, in order to achieve higher production rates.

The record of the fourth year plan reported that the total volume of fish and marine life to be caught in 1984 will amount to 76.2 thousand tons, an increase of 4.4 thousand tons over the amount planned for last year.

The plan stated that the size of the public sector's catch alone would increase from 6.1 thousand tons in 1983 to 8.2 thousand tons in 1984, an increase of 2.2 [Sic] thousand tons. The specific weight of the fish and marine life catch would also rise from 8.5 percent in 1983 to 10.8 percent this year. The size of the cooperative sector's catch will increase from 20,000 tons in 1983 to 21.9 thousand in 1984. Its specific weight will rise from 28.6 percent to 28.8 percent.

The size of the joint companies' catch will also increase from 2.9 thousand tons in 1983 to 3,000 tons in 1984, so that of the total size of the catch, 47.1 thousand tons will be allocated for local marketing. Individual consumption for the year will amount to 22.3 kgs for 1984.

The plan is anxious to achieve the planned volumes of coastal and deepsea fish for 1984, which are allocated for domestic marketing and to supply the canneries, in order to ensure supplying the increasing citizens' requirements of fish and to avoid unexpected shortfalls.

The plan pointed out that the value of the fish and marine life to be caught in 1984 will amount to 18.7 million dinars, a 10 percent increase over 1983. The value of the public sectors' production will increase from 3.2 million dinars in 1983 to 4.3 million dinars in 1984. There will also be a larger growth rate, estimated at 33.7 percent in the value of the fishing sector's

production, than in the other production sectors participating in the 1984 plan. The value of production in the cooperative sector will increase by 2.8 million dinars and the mixed companies by about 1.1 million dinars.

The plan mentioned that the fourth year of the third 5-year plan for economic and social development included 6.945 million dinars, out of the total investments for 1984, to construct fishing harbors in Aden and Nashatun in the al-Mahrah Governorate. The sum of 864,000 dinars has been allocated to prepare the detailed design to build a fishery institute in Aden and to develop fishing cooperatives in the western coastal area of the country, as well as to complete equipping the Institute of Marine Sciences. Some 185,000 dinars has also been allocated to improve and increase the efficiency of marketing, 125,000 dinars to develop a fish cannery in Shaqrah, 105,000 dinars to complete the refrigerated storage facilities for storage, freezing and refrigerated distribution, and 25,000 dinars to purchase small boats for coastal fishing purposes.

7005

CSO: 4404/354

HEALTH WORKERS TRAINED; NEW INSTITUTE PLANNED

Aden 14 UKTUBAR in Arabic 7 Feb 84 p 2

[Article by Mushtaq Ghalib Nasr: "Construction of a New Institute Next Year to Cost 1.4 Million Dinars"]

[Text] The number of graduates from study courses at the Health Institute has totaled 2,427 middle-level workers from various governorates since its establishment. They are distributed throughout the centers and districts of the different governorates. It is expected that work will begin in 1985 on the construction of a new institute, with a total estimated cost of 1.4 million dinars.

In a statement made by Comrade Dr Salih 'Ali Salih, deputy director of the institute, he made it clear that the institute's role in developing and improving the health services is being established through the courses that the institute organizes and which are for either 2 or 3 years. A number of courses have been held since its establishment, in the fields of laboratory sciences, pharmacology, X-rays, public health, medical assistants, midwifery, obstetrics, community nursing and dental assistants. He made it clear that the number of graduates of the institute since its inception, up to 1982-83, total 2,428 middle-level workers from the various governorates, while some 352 students have matriculated during the 83-84 school year, including 60 in the field of professional nursing, 35 in public nursing, 54 medical assistants, 45 in pharmacology, 18 in public health inspection, 34 in laboratory sciences, 25 in the X-ray field and 40 midwives/community nurses.

In the first part of these training courses, basic and primary material is studied, including physics, chemistry, biology, mathematics, psychology, anatomy, first aid, English and political indoctrination. The other two parts include the specialty, which is studied in addition to the above mentioned material.

He stated that the institute is not just a scientific school, from which only sciences and knowledge are gained, but rather, it is also an educational and ethical school, in which the meaning of humanity, culture and allegiance to work are studied, along with an intense desire for rigorous discipline.

Concerning the distribution of the middle-level health cadre, he pointed out that the health and medical workers are distributed in accordance with districts and center requirements in the governorates, and in accordance with a plan submitted by the Ministry of Public Health. With reference to the workers' distribution, they undertake to fulfill their duties in a proper manner, in terms of taking the institute to the various districts in the governorates.

Regarding the teaching staff, he stated that the institute currently has 33 local instructors, specialized in various medical and health fields. He added that the institute annually tries to send personnel abroad for higher qualification as instructors.

Concerning the institute's future projects, he stated that the institute was making a study for the construction of a new institute. It is expected the work will begin at the beginning of next year, at a cost currently estimated at 1.4 million dinars. It will contain advanced and specialized departments, along with the basic and laboratory requirements. He pointed out that construction of the new institute is due to unlimited assistance by the party and the state in the field of public health, as well as the World Health Organization, UNICEF and the Swedish Childrens' Organization.

He pointed out that the institute has branches in Abyan, Lahij, al-Mahrah and Hadramawt, which teach nurses and assistants on a 2-year course, in order to fill the governorates' needs of this kind of middle echelon worker.

It is worth noting that the institute was established on 7 February 1970.

7005

CSO: 4404/354

AFGHAN-SOVIET ECONOMIC COOPERATION EXAMINED

Kabul HEYWAD in Dari 6 Nov 83 p 2

[Text] Afghanistan and the Soviet Union are two neighboring and friendly countries. It is more than 60 years that the friendly and fraternal relations between the two countries has been established. A few countries in the world could be found to have such friendly relations and trust without any deceit and indignity with each other during so many decades.

The victory of the great October 1917 revolution and Afghanistan regaining its independence in 1919, had secured the grounds for such a relation.

It is worth mentioning that the basic reason for ever-increasing and strengthening relations is the expansion of assistance and taintless cooperation between the DRA and the USSR. Technical and economic cooperation between the Soviet Union and our country began from the very beginning when the two countries had agreed to establish fraternal ties. The first aviation school was opened in Kabul by the assistance of our friend the Soviet Union during the first year of Afghanistan's independence.

As years passed by, the economic assistance of the Soviet Union increased in more extensive dimensions. While the relationship between the two countries was shaped a new quality phase began during the victory of the Sover Revolution and the assistance of the Soviet Union to Afghanistan was further developed.

We must mention that the largest industrial, producing, construction and transportation installations of our country were built by the brotherly assistance of the friendly country, the Soviet Union. The building of the great factories and industrial complexes are all due to the mutual efforts of the Afghan and Soviet workers and engineers. For example, we can name the complex of the Jangalak factories. This factory with a large number of workers is operating as a top quality factory for the repair of motor vehicles.

The house-manufacturing plant which was built in 1964-1965 through the assistance and cooperation of our friend, the Soviet Union, has grown to 2,800 residential apartments with modern facilities. These apartments were put at the disposal of worthy people. By concluding a separate agreement, after the victory of our national and democratic revolution, the production capacity of this plant increased considerably compared to previous years. Now several hundreds of apartments have been completed and were put at the disposal of our compatriots.

We have to mention that the Soviet Union has assisted considerably in the field of road construction and asphaltting the highways. More than 1,523 kilometers of highway and roads, in different parts of the country, have been asphalted.

The roads and highways which have been asphalted are as follows: Kabul-Salang and Shir Khan Bandar highways, 339 kilometers; Kandahar-Herat and Torghundi highway, 680 kilometers; Pol-e Khomri-Mazar-e Sharif and Sheberghan highway, 320 kilometers and many other roads. Moreover, 274 kilometers of roads are under construction and are being asphalted through the joint cooperation project of the two countries.

The building of silos, godowns and supply barns for grains which have proved their effectiveness in supplying the needs of our compatriots, are another mark of the economic cooperation of Afghanistan and the Soviet Union. The central silos of Kabul, Pol-e Khomri, Mazar-e Shaif, Kandahar and Herat have been recognized as a mark and symbol of friendship and brotherhood by our people. Circular silos store 170,000 tons of grain. This storage facility significantly improves the stability of the prices of foodstuff.

Regarding cultural cooperation, we would like to indicate concisely that at present more than 6,000 Afghan students are registered in the soviet higher educational institutions, vocational institutes and technical schools.

The Soviet Union's assistance to Afghanistan has important and significant role in the growth of productive energy for the increase of industrial production, extension of industry, strengthening and development of the government sectors, increase of professional cadres, promotion of cultural standards and strengthening the foundation of modern economy.

12646

CSO: 4665/27

ARTICLE CLAIMS EQUAL RIGHTS FOR ALL CITIZENS

Kabul HEYWAD in Dari 6 Nov 83 p 2

[Text] Impressive changes have occurred in all aspects of the peoples' lives through the victory of our national and democratic Sowr Revolution, especially with its modern and evolutionary phases. One of these fundamental changes is equal rights for all citizens of the country according to the law. Prior to the Sowr Revolution, the law and its implementation was for display purposes only. The law, at that time, was only at the service of a handful of people who were in high positions and were usurping the rights of the toilers of the country. Whenever the law was implemented, racial, tribal, national, language and social discrimination was always considered. However, after the victory of the Sowr Revolution, in its new form, the law is implemented as a means to defend the rights of the toilers and is used as a standard to designate the right and obligation of each individual living in our homeland.

The essential principles of DRA, the unique development of the new phase of the revolution which has produced the provisional constitution provides equal rights for all citizens as quoted below.

"All Afghan citizens have equal rights and obligations regardless of race, national and tribal origin, language, sex, residence, religion, education, property and social status. The equal rights of all citizens of the country will be safeguarded and will be exercised in economic, political, social and cultural aspects of life."

Now, due to the victory of the Sowr Revolution and its new developments, the interests of the broad masses of the country's toilers are protected by the law. The toilers of Afghanistan will have more and more faith in the righteousness of the Sowr Revolution and the aims of their popular government through the implementation of such law enactments. Now each toiler, in any corner of our country, regardless of religious belief, nationality, tribal origin shall enjoy the equal rights set forth in the law. Each of our compatriots have the right and may decide to select a way of life.

The revolutionary party and the government are striving to provide jobs for everyone in a much wider and better scope. They are striving to reconstruct a new and modern Afghanistan and are hoping that their worthy services would result in a great and productive Afghanistan. The right and facilities for health insurance, education, cultural freedom and scientific and technical activities are provided for each Afghan citizen.

SECURITY FORCES CONTINUE MOPPING UP OPERATIONS

LD220941 Kabul BAKHTAR in English 0427 GMT 22 Mar 84

[Text] Kabul, 21 March, Bakhtar--Massive mopping up operations by the security forces of the DRA against the miscreants are continuing throughout the country.

According to the latest reports a group of 22 terrorists belonging to the so-called Islamic bands was crushed by the security forces in Paktia Province and a large amount of weapons was confiscated from them.

Also in Langhman Province the security forces crushed a group of terrorists and seized two arsenals of weapons supplied by their foreign masters.

Reports from Herat Province indicate that 20 counterrevolutionaries were crushed there and various kinds of weapons and incriminating documents were recovered from them.

A group of terrorists belonging to the Hizbi Harakat band was crushed and one of them was captured during the mopping up operations carried out in Balkh Province.

In Qonduz Province three deceived Afghans taking advantage of the general amnesty decree of the Revolutionary Council of the DRA surrendered to the security forces with their weapons.

CSO: 4600/465

MONTAZERI COMMENTS ON WAR, 'EAST, WEST SUPPORT' OF IRAQI REGIME

Tehran ETTELA'AT in Persian 3 Mar 84 p 3

/Text/ Qum: A group of Iraqi crusaders on their way to the imposed war front, clergy and Iraqi scholars, and the martyr families of the Voice and Vision of the Islamic Republic of Iran met and talked with the eminent Great Ayatollah Montazeri in Qum.

According to the report of the central news unit, Great Ayatollah Montazeri, in referring to the propaganda and gains of colonialism for many years due to the isolation of the clergy and separation of religion from politics, said this in the meeting: "Although the Koran and our narrations consider the subject of holy war and fighting against the enemies of Islam immensely important, colonialism has worked its way so that the area's Islamic societies pay little attention to this matter. Whoever discussed this matter was rejected and isolated. After the victory of the Islamic Revolution in Iran, conditions changed and the Muslim public was awakened. Muslims became aware of their individuality and greatness."

In this regard he referred to the secret of the victory of the revolution of Islamic Iran and stated: "Besides the avowed unity of the masses and classes, the fundamental element in the victory of the revolution was the role of leadership and involvement of the clergy in politics and above all the nation's eminent imam. Since the clergy in this country felt responsibility, they pushed forward the faced all dangers. All classes and masses followed them and revolted. They defeated the shah's regime with all its power and eastern and western support."

He indicated: "Today, in oppressed Iraq, the situation is the same. The devout and protector clergy of Iraq must lead the way and be the flag bearers of the movement and lead the oppressed Muslim nation of Iraq in its fight, until with God's help, they will shortly achieve victory. Therefore it is expected that the fighting Iraqi clergy set aside their cliques and small differences and make their goal, holy war for God's way. All of them, like their brothers in Iran, must become united against the Ba'thist regime of the pagan Saddam and make liberation succeed until God grants them victory."

In this regard he emphasized: "This is the duty of the fighting crusaders and clergy combatants of Iraq by being present at the imposed war fronts. They

must also have contact with the nation and army of Iraq in order to express their opinion and views. They must ask the misled military men of Iraq why they sacrifice themselves for the desires and lusts of Saddam, the pagan and foreign mercenary. In Islam, as oppression is prohibited, to surrender and remain silent in the face of oppression is also prohibited."

He said: "The fighting clergy of Iraq must make the tormented nation of Iraq realize that the Islamic combatants do not have eyes or need for an inch of Iraqi soil. The goal of the Islamic combatants is to repel the oppression and aggression of Saddam with the support of the Islamic movement of the Muslim nation of Iraq. After the fall of this pagan and foreign dependent regime, the nation of Iraq and their clergy must determine for themselves the fate of their nation."

The eminent Great Ayatollah Montazeri then referred to eastern and western support for the corrupt and doomed regime of Saddam and said: "Today the two doomed poles of the world's pagans realize that Islam, which is crystallized in the Islamic revolution, is a serious danger for themselves. Therefore, they are trying hard to protect Saddam who has become their mercenary in order to annihilate Islam at any price. Therefore, our war today with Saddam is not the war of two countries but the war of Islam and blasphemy. Therefore, it is the duty of all the masses and classes of the Iraqi nation to rise against this anti-Islamic regime and use any means to annihilate it and act according to their Islamic and religious duties."

Then he addressed the leaders of the Persian Gulf nations and said: "How long will you put the wealth and oil of these oppressed nations at the disposal of America and its traitor lackey Saddam? With your money, Saddam purchases 9 and 12 meter missiles, cannons, and tanks from the Soviet Union and the United States and launches them towards our cities. If you were firing these cannonballs and missiles towards Israel today the usurper Israel would not exist."

He emphasized: "If you want to remain intact and be secure from God's fury and Islamic nations, you must change your methods and not support blasphemy, Israel and Saddam to such an extent."

At the conclusion, in analyzing the sacrifices and generosity of the brave combatants of Islam in the war fronts, he called for forgiveness and greatness for the high-ranking martyrs of Islam and prayed for their final victory and the long life of the revolution's leader.

Based on the same report, yesterday, the Friday imam of Darreh Shahr and Hojjat ol-Eslams of Tehran, the director of the Qum Martyr Foundation, distinguished ulema of Tehran and the Rasht temporary Friday imam, also met with ayatollah Montazeri. In this meeting, a check for 1.5 million rials from the devout people of Darreh Shahr, for aid to the imposed war front, was presented to him by the Friday imam of Darreh Shahr. His eminence Ayatollah Montazeri prayed for the Islamic combatants.

PAPER ON STRENGTHENING TIES WITH MALAYSIA

GF301500 Karachi DAWN in English 28 Mar 84 p 7

[Editorial: "Pakistan-Malaysia Ties"]

[Text] The five-day visit of the Malaysian prime minister, Dato Seri Dr Mahat-hir bin Mohamed, which ended on Monday, has been fruitful in more than one way. Both the prime minister's press conference before his departure and the communique were an affirmation of the good, and potentially promising growth in bilateral collaboration in various fields after the visit of President Ziaul Haq to Malaysia in November, 1982. A joint committee set up then for promoting bilateral cooperation has done useful work. New ideas were generated during the talks between the prime minister and the president in Islamabad for further intensification of cooperation in the economic, commercial, educational, technical, religious and cultural fields. Among the joint projects under discussion now is a venture in the Karachi export processing zone based on Malaysian palm oil (a major Malaysian export to this country) and a factory based on tin supplied by Malaysia. An important topic to have figured in bilateral discussions at various levels was the trade imbalance in favour of Malaysia (according to one estimate, Pakistan's imports are valued at over Rs one billion, while exports have not crossed the Rs 63-million mark). The prime minister's high-level delegation included bankers, industrialists and businessmen, and this facilitated serious discussions with their Pakistani counterparts on specific issues. For instance, the visiting businessmen showed interest in the import of Pakistani citrus and other fruit which they now get from the U.S. and other countries. They also saw great possibilities in Pakistani capabilities for turn-key services in setting up sugar and cement industries.

Apart from their commitment to the UN Charter, and the principles and objectives of the Organisation of Islamic Conference and the Nonaligned Movement, the two countries have come closer on many issues in international affairs that affect them directly. The communique recorded "complete understanding and identity of views" and "common concern" on such issues as Afghanistan, Kampuchea, the establishment of a Zone of Peace, Freedom and Neutrality in Southeast Asia (ZOPFAN), and for setting up nuclear-weapon-free-zones in

PAKISTAN

PORT QASIM LINKED TO RAILWAY NETWORK

GF301439 Karachi DAWN in English 28 Mar 84 p 1

[From the "Economic and Business Review" section by Shaheen Sehbai]

[Text] Karachi, 27 Mar--Pakistan's second commercial harbour, Port Qasim, has been linked to the railway network of the country and the first goods train carrying fertiliser for China is currently being unloaded there.

Official sources told DAWN the 24-kilometer track has been laid by Pakistan Railways [PR] engineers at a cost of Rs 134 million, paid by the Port Qasim Authority (PQA) in toto.

With the unofficial commissioning of the railway link, Port Qasim can now look forward to a major share of bulk exports from Pakistan including rice, fertiliser, cotton, wheat and wheat products.

The official handing over of the track to PQA has been delayed because of negotiations going on between the railways and PQA authorities over maintenance and repair charges of the track.

PR officials maintain since PQA has paid for the entire cost, they should also pay a percentage for maintenance although PQA is not going to get a share from the freight.

PQA sources say shipments made from Port Qasim by using the railway link would be substantially economical than from Karachi port and this would attract bulk of the business hitherto catered by Karachi Port Trust (KPT).

Sources said two large transit sheds have also been completed at Port Qasim, each with an area of 10,000 square yards and exporters of bulk cargoes find it more convenient to use them vis-a-vis KPT.

The first train to arrive at Port Qasim station carried 1,344 tons of urea, packed in 56 wagons, from Lahore.

This shipment would be the second consignment out of a total of 100,000 tons of urea which Pakistan is exporting to China under an agreement signed a few weeks ago.

CSO: 4600/477

NDP LEADER ACCUSES GOVERNMENT OF VIOLATING BAN

GF261459 Karachi DAWN in English 22 Mar 84 p 14

[Text] Peshawar, 21 Mar--Addressing public meeting at villages Bazargai and Sherghund in Tehsil Swabi, on Tuesday, the defunct NCP [National Democratic Party] leader, Khan Abdul Wali Khan, released from house arrest recently, announced that political parties were no longer bound to abide by the restrictions imposed on public meetings after the president and his ministers had themselves flouted them.

He said democracy and security of Pakistan were interdependent, and unnecessary prolongation of Martial Law was detrimental to the country's integrity as it happened in the past when the military rule ended in the division of Pakistan.

He said that the sooner democracy was restored, the better it would be for national solidarity.

Khan Abdul Wali Khan warned that policies being pursued by the present regime were creating parochialism and "are far replacing the tendency of collective national thinking on vital issues."

Referring to development he said building of roads and bridges meant nothing when fundamental rights remained denied to people for the last seven years. "Development without people's participation in government affairs in meaningless," he remarked.

Khan Abdul Wali Khan demanded restoration of the 1973 Constitution in its original form, elections and transfer of power to the elected representatives, with advice to the armed forces to return to their barracks.

He also demanded lifting of ban on political parties, adding that such an arrangement might not suit the interests of the United States which wanted status quo to remain in Pakistan's political set-up.

Referring to Afghan refugees, Wali Han said "We are not adverse to their stay in Pakistan provided they do not get involved in Pakistan's politics."

CSO: 4600/477

COOPERATION AMONG POLITICAL PARTIES URGED

GF301146 Dubayy KHALEEJ TIMES in English 29 Mar 84 p 7

[By correspondent]

[Text] Islamabad--The Central Working Committee of right-wing Jamaat-i-Islami has called upon all political parties and like-minded elements to create an atmosphere of understanding, and cooperation for realisation of common objective of democratic revival in the country.

The committee, which met in Lahore on March 25 and 26 to discuss future course of action following government steps against its militant student wing, rejected the path of confrontation which it said would further worsen situation, which the country was facing today.

The committee said the government should also release political detainees and students to create congenial atmosphere in the country.

It demanded immediate announcement of election schedule and said the government must complete elections to national and provincial assemblies six months before the promised date of March 1985 for transfer of power.

It said all political parties be permitted to contest elections under mutually agreed code of conduct. This is the only way to end the present crisis and lead the country on the path of Islamic democracy, it added.

The Jamaat expressed concern that the government is indulging in dilatory tactics and raising new issues to confuse public mind. Debate on Islamic and Western democracy was meant to create intellectual chaos and was totally irrelevant, the committee observed.

Meanwhile MRD Secretary General Malik Qasim addressing a press conference after Central Committee meeting in Karachi on Tuesday, said MRD is prepared to welcome any political party which accepts its four-point programme.

He denied reports that MRD was allergic to some parties like Jamaat-e-Islami of Pagara Muslim League who have been supporting the martial law regime.

Mr Qasim said MRD has rejected August 12 plan and will not enter into any kind of dialogue with the government under present conditions. The plan is meant to negate elections and all indications are that the government had no intention to transfer power as it is hinting at retaining martial law even six months after the promised elections, he added.

Another report from Karachi said outgoing Sind Governor General S. M. Abbasi has refuted reports that all political detainees in the province would be released before he relinquishes charge early next month.

Gen Abbasi said the release of political prisoners is continuing under a definite programme. Under this programme leaders including Ghulam Mustafa Jatoi will also be released but at a fixed time, he told newsmen in an informal chat.

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Mir Ghaus Bukhsh Bazenji, leader of the defunct PNP, got his order of release at 4:30 pm on 26 February, at Jinnah Hospital, where he was under treatment. His first question as he came out of the jail was about the release of Wali Khan, Mrs Wali Khan, and Aftab Sherpau. But when he was told that only Sardar Sherbaz Mazari had been released, he said that he hoped Mr and Mrs Wali Khan would also soon be released, since they were only under house arrest. He said that all the political prisoners and detainees should be released.

Things are becoming very complicated. People, especially those of the smaller provinces, are not satisfied even with the 1973 constitution, which

was adopted unanimously. If this lack of confidence continues, nobody will be able to prevent the tragedy of secession. It is believed in political circles that the release of only two leaders, Sardar Sherbaz Mazari and Mir Ghaus Bukhsh Bazenji will not be a good omen for the MRD and there is a clear danger that the release of only two leaders will give rise to a great deal of misunderstanding in the union [MRD].

MRD leaders and workers have often complained that while the political prisoners of Punjab have been freed, those of Sind are still behind bars. In Sind, only workers have been released. There is complete silence about the release of political leaders such as Ghulam Mustafa Jatoi, Mumtaz Ali Bhutto, Makhdum Khaliquzzaman, Ghulam Mujtaba Jatoi, Meraj Mohammad Khan, Khawaja Khairuddin, Fatehyab Ali Khan, Nafis Siddiqi and others. It is feared in political circles that the government's attitude toward the Dindi political prisoners may for the time being create a rift in the ranks of the MRD, but its far-reaching results will be very dangerous for the country.

The sense of deprivation in Sind has now been admitted even at the administrative level. During the recent MRD campaign, the people of Sind showed their anger vocally and in armed clashes with the administration in Khairpur, Nathan Shah, Maura, Qazi Ahmed Badin, Magbut, Dadu, Mehar, Rohri, Larkana and elsewhere. This sense of deprivation has now taken the form of a slogan, "confederation," which is being sponsored by Mumtaz Ali Bhutto, Dr Hamida Khor and Prof Sayed Ghulam Mustafa Shah. Dr Hamida Khor says that she addressed a meeting in Sind at which not a single voice was raised in favor of Pakistan. This points to the danger that concerns all those who love Pakistan. If discrimination is shown in the release of political prisoners, this may temporarily benefit the government, but by causing suspicion in the minds of the Sindis, it will harm the integrity of the country.

12476
CSO: 4656/104

PAKISTAN

REFERENCE TO KORAN FOR POLITICAL PURPOSES FOUND HYPOCRITICAL

Lahore NAWA-I-WAQT in Urdu 8 Mar 84 p 10

[Article: "Islam and Political Parties"]

[Excerpts] A venerable man and a veteran politician, Maulana Zafar Ahmad Ansari, tells us in his commission report, and again in an interview, that there is no injunction in the holy Koran about forming political parties or having an opposition in the government. Hence, he says, in an Islamic state there should be no political parties. It is true that there is no order about forming political parties in the Koran; there is not even an order about driving on the left side of the road. Nor does the Koran say that when the national flag is passing you should stand up in respect; nor that at sunset when the flag is brought down slowly, somebody should keep playing music all the time. Is it not a disrespect to the holy Koran to bring it into such irrelevant matters? We ask the Maulana, with all due respect: If the Koran does not give orders about forming political parties, does it give orders against forming them? Why is the Maulana silent when clear-cut orders of the Koran are being disobeyed, especially by the administration? The Maulana must have read this injunction about interest in the Koran: "You who believe, fear God, and leave what remains (due to you) in interest if you are believers, for if you do not, then be warned of war from Allah and His Messenger." (Albaqra 279) When interest is definitely forbidden, and there is such dire punishment for not giving it up (war with God and His Prophet), then why, after 6 years of Islamization, is all business in Pakistan based on interest? Government institutions are giving and taking interest at rates so high they would leave the Hindu money-lenders dumbfounded. (According to the old system of the Home Finance Corporation, interest rates are up to 250 percent. But the Maulana does not take any notice of that. He does not even justify interest by saying that interest in commerce is something different from the usury forbidden in the Koran. On the other hand, there is not a word against the formation of political parties in the Koran but Maulana Ansari makes every effort to prove that the formation of political parties is forbidden by the Koran.

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PAPER ON UPCOMING VISIT OF DIEGO CORDOVEZ

GF311402 Karachi MASHRIQ in Urdu 17 Mar 84 p 3

[Editorial" "The Next Stage of Talks on the Afghan Problem"]

[Text] President General Ziaul Haq has expressed the hope that the tour by the representative of the UN secretary general next month will result in improvement in the Afghanistan question. Mr Diego Cordovez will visit Islamabad and Kabul next month and then the next stage of indirect talks will start in Geneva. The president has totally rejected the view of some circles that Pakistan should enter into direct talks with the Karmal regime. He said that the Afghanistan question was not limited to Pakistan or Afghanistan. It has become a world problem and we are bound by the decisions of the UN, the Non-aligned Movement, and the ICO. Therefore, to shake hands with the Karmal regime, which came to power in Afghanistan by riding Soviet tanks, would be an action contrary to the desires of the world community.

However, even if Pakistan does not recognize the Karmal regime, it has continued to hold talks with it through the medium of the United Nations. If the Soviet Union and its puppet regime wishes to find a peaceful political solution to the Afghanistan problem, then they should try to make the next round of talks meaningful. The talks which have been held so far have resulted in an understanding on the basic principles of the solution. If the Soviet Union now sets a timetable for the withdrawal of its forces from Afghanistan, then this understanding can take the form of an agreement. On the basis of the progress made in the talks, the Pakistani Government has expressed the hope that the upcoming tour of Mr Diego Cordovez will give shape to the solution of this problem. However, if the Soviet Union tries to maintain the status quo then this problem will continue to remain unresolved and tension will remain in the region.

The fact remains that to maintain a status quo in this question will not result in fulfilling the Soviet Union's aspirations, because the Soviet Union during the past 4 years has not been able to crush the spirit of resistance in the Afghan people. Moreover, the liberation movement of the Afghan people has gained strong support from world public opinion. The Soviet Union can, through various excuses and deceptions, prolong the presence of its forces in Afghanistan by it will not be able to realize its aim of putting Afghanistan under its control. The sooner the Soviet Union appreciates this reality, the better it would be for it in the long run. It is quite possible that the

United States would like the Soviet Union to remain entangled in the narrow heights of Afghanistan. But if the Soviet Union takes into account the reality of the situation, and accepts a political solution based on agreed principles, then it would raise its prestige in the world and it could also disengage itself from the current difficult situation with suitable safeguards. Therefore, the key to the peaceful solution of the Afghan problem lies in the hands of the Soviet Union.

CSO: 4656/126

PAPER CITES IRAN'S EXAMPLE ON HOLDING ELECTIONS

GF011632 Rawalpindi HAIDER in Urdu 18 Mar 84 p 2

[Editorial: "Continuation of Democracy in Iran After the Islamic Revolution"]

[Excerpts] The Iranian national news agency reported that the interior minister, Mr Nateq-Nuri, addressed a press conference in Tehran and said that the next elections would be held in Iran on 15 April and the government has made the necessary arrangements.

It is noteworthy that the democratic process has continued after the revolution in Iran in 1979.

In the first parliamentary elections, which were held in Iran in 1980, the Islamic Republican Party had gained a majority. The important aspect of the 15 April elections is that five Islamic parties have proposed their candidates.

It will not be irrelevant to mention here that the elections in Iran were held on a party basis in which the political parties abided by the political procedure and then sent their elected representatives to the Majlis, where there is an opposition party and even government policies are criticized. Today, if we wish to emboil the citizens of our dear nation in the argument that political parties have no place in Islam or, that elections on party basis and the Western concept of democracy conflict with Islam, or that the voter or candidate should have certain specific qualifications, why do we ignore the fact that elections were held in Iran while we are searching for Islamic Shari'a formulae for holding elections?

If elections were considered compulsory a year after the Iranian Revolution, it was undoubtedly an attempt to make the Islamic world understand that in Islam an elected government is necessary and political parties have importance and every citizen has the fundamental right to vote.

CSO: 4656/126

POLISH AMBASSADOR WELCOMES COOPERATION

GF011756 Rawalpindi HAIDER in Urdu 20 Mar 84 p 1

[By staff correspondent]

[Text] Islamabad, 19 Mar--The Polish ambassador in Pakistan, Mr Neneman, has said: My country is desirous of a political solution for the Afghan issue. If this is not found soon, then the matter will remain dangling and a time will come when the issue will fade away itself.

Speaking at a press conference here today, he said: Poland is greatly perturbed at the Iran-Iraq war. This war can spread and become a global conflict and the arrival of U.S. vessels in the area is tantamount to an invitation for international confrontation. Regarding Pakistan's relations with Poland he said: I hope that both the countries will increase mutual trade in the future. He said: It is a fact that both the countries have bright prospects for expanding bilateral economic cooperation. Poland can assist Pakistan in its power program and can also supply important machinery. The Polish ambassador said: A wood processing plant has been completed in Dir, for which Poland supplied the technology, expertise, and training facilities. The project manager of the wood processing plant [name indistinct], who was also present at the press conference said: Work on the project began in 1978 and it was completed this month. During this period, 11 Pakistanis were trained in Poland. He added: This project provided employment for 300 Pakistanis. I am satisfied with the performance of the Pakistani officers and staff, as they have displayed excellent ability in the project.

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BRIEFS

USE OF CHEMICAL WEAPONS--Some time ago Iraq refuted the allegation that it is using chemical weapons against Iran and added the threat that if Iran does not change its attitude, it will be forced to use chemical weapons. The ink had not yet dried on this statement when the speaker of the Iranian Majlis, Hojjat ol-Eslam 'Ali Akbar Hashemi-Rafsanjani said to a Friday prayers meeting at Tehran University that Iran had promised not to use chemical weapons against Iraq but he could not say when Iran might be forced to break its promise! Mr Hashemi-Rafsanjani also revealed that Iran has a huge chemical complex and many expert and able scientists and it can manufacture chemical weapons on a large scale. There is also a rumor that Israel is supplying arms to Iran behind the scenes. Now it is for the Islamic world to ponder why this war is being prolonged. What common enemy of the Islamic world is reaping the benefits of the continuation of the war? The use of chemical weapons is the worst and most unforgivable crime against humanity and if these two Muslim countries become the perpetrators of this crime, they will provide with the superpowers an opportunity for intervention and the results of superpower intervention are not hidden from anyone! [Text] [GF310744 Lahore NAWA-E WAQT in Urdu 27 Mar 84 p 3]

FRG FINANCIAL AGREEMENTS--The FRG will increase its overall development soft loans to Pakistan. This was stated by FRG Economic Cooperation Minister Juergen Warnke at an Islamabad news conference today. Federal Finance Minister Ghulam Ishaw Khan told the news conference that the two countries signed agreements on protection of capital and avoidance of double taxation. [Excerpts] [BK311212 Karachi Domestic Service in Urdu 1500 GMT 29 Mar 84]

WORLD BANK LOAN--The World Bank has provided a \$100 million loan to Pakistan for establishing medium- and large-scale industries as well as for financing expansion of existing industrial units. The loan will be distributed through the Habib Bank, which has signed an agreement with the World Bank for the purpose. [Excerpts] [BK311212 Karachi Domestic Service in Urdu 0200 GMT 31 Mar 84]

DEPARTING NIGERIAN ENVOY--The outgoing Nigerian high commissioner to Pakistan paid a farewell call on President Mohammad Ziaul Haq in Rawalpindi this afternoon. They discussed matters of mutual interest. [Text] [BK040607 Karachi Domestic Service in Urdu 1500 GMT 3 Apr 84]

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