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3 April 1984

NEAR EAST/SOUTH ASIA REPORT

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ALGERIA

NATIONALIZATION OF OIL SECTOR COMMEMORATED

Algiers EL MOUDJAHID in French 24-25 Feb 84 p 7

[Interview with Belkacem Nabi, minister of energy and the chemical and petrochemical industries, by Omar Belhouchet; date and place of interview not indicated]

[Text] SONATRACH expects its partners to honor their gas contract obligations. Prudence in questioning OPEC production quota compromises.

The profound significance attached to the commemoration of the 13th anniversary of the nationalization of the oil industry is a great workers' victory, opening a new era in the country's development and the recovery of its economic independence, declared Belkacem Nabi, member of the Central Committee, and minister of energy and the chemical and petrochemical industries, in a conference granted to the national press.

In this conference, the minister commented on the major areas of activity in his sector, as well as on the orientations of the energy policy adopted by the country.

Mr Nabi also discussed the situation of the energy market, pointing out Algeria's contribution to the efforts being made to stabilize the crude oil market, and lastly, spoke about the gas question.

[Question] The Fifth FLN Congress has extensively analyzed the results obtained in recent years by the various sectors of the national economy. What are your estimates for the energy sector, and what are the major directions in the preparation of the next five-year plan?

[Answer] The resolutions of the Fourth and Eight Sessions of the Central Committee following the National Debate on Energy, outline the principles of the national energy policy. They are:

Conservation and valorization of hydrocarbons.

Long term satisfaction of national needs.

Adoption of a long term national energy consumption model.

Central planning of exportations, aimed at reducing foreign dependence.

Rationalization of management, control of production, development and better utilization of human resources.

Algerianization of supervisory personnel, and reduction of French technical assistance.

These principles were followed by complementary measures to assure:

The implementation of a strategic storage policy.

An effort at sectorial and inter-sectorial industrial integration. A major qualitative change occurred, making it possible to a priori associate energy with planning, rather than have the latter depend on the former; based on this, economic options and strategic orientations are determined most objectively as a function of national economy priorities.

This decisive stage in the application of the energy policy was carried out simultaneously with restructuring the sector's enterprises, a move adopted as part of the wide scale reorganization of the national economy base, whose objective is:

Industrial redeployment adapted to the readjustment of the inter-regional balance.

Mobilization of material and human potentials.

Economic efficiency and management rationality.

The implementation of construction programs will continue with a rapid development which should close the gaps formed in the supply and distribution of oil and gas products. This effort will bear primarily on the installation of means of supply, on the strengthening and expansion of storage structures and capacities so as to establish sufficient autonomy for regions, and on the domestic valorization of raw materials to be used for intermediate consumption in processing industries so as to meet the needs of other sectors of the national economy.

Extensive activities will be conducted in the effort toward sectorial and inter-sectorial industrial integration, in the expansion of the industrial network which must be perfectly matched to economic and infrastructural development, and in seeking the fulfillment of a national electrification program.

Based on the sector's activities during recent years, the country's political forums have formulated certain estimates which can be summarized as follows:

Better valorization of our exports. This has been the result of better natural gas prices and of a diversification policy aimed at better distribution of export revenues between crude oil exported as such,

condensates whose production reached a considerable level (about 15 million tons), refined products, and gas, all of which unquestionably created a situation of lesser dependence than the one prevailing when crude oil was the only exportation.

The need to pursue and intensify efforts to assure sufficient coverage of the country's energy requirements. Notable in this respect is the considerable progress achieved in the rate of rural electrification, a progress specifically stressed by the leader of our state in his state of the nation speech to APN, and one which makes it possible to achieve the country's total electrification by the end of the decade; moreover, it should be pointed out that the tension on the national market has been reduced by ongoing or completed investment programs, which has led to the delivery of some infrastructures for distribution and transformation.

Also to be observed in this area is the formulation of a genuine plan for national distribution of natural gas, such as the PNE, whose implementation will increase during the next five-year plan.

All of these actions are part of the formulation and application of the energy consumption model.

Actions intended to assure proper exploitation of existing deposits, and generalization of conservation measures.

In this respect, a large program of aided recovery has been implemented, outstanding in which are the recovery of burned gas, whose quantities have been considerably reduced from 12 billion at the start of the plan, to 4 billion at the end of 1983, the launching of similar projects at the Oued Noummar and Zarzaitine fields, as well as the development of the Rhourdes Nouss field.

Intensified research effort.

Also to be noted is that the results obtained could be improved significantly.

Starting with this observation, the major lines of the next five-year plan (1985-1989) will have to be:

For the energy consumption model, a match between primary energy resources and energy demand; the selected option is to encourage the use of natural gas and promote this form of energy to satisfy domestic needs, which has implied the installation of a gas distribution plan (more than 200 settlements of more than 5000 inhabitants have been earmarked for gas service, with more than half of them during the second five-year plan).

Moreover, given the predictable increase in the consumption of oil products, a better geographic distribution and expansion of storage facilities is a matter of consistent concern both for the current and the next five-year plan (creation of strategic storage at the wilaya level with 15 days of autonomy and 30 days without refineries in order to safeguard the national supply).

Lastly, a large role will be assigned to the integration of the national network of interconnected pipelines, so as to enable rapid and reliable inter-regional transfers of products, and to stem their transportation with an increasingly large fleet of tanker trucks.

In addition, the action initiated during this plan as part of the policy for deposit conservation will be continued during the next one; it will be focused on two objectives:

Increased effort to install assisted production processes for all oil deposits.

Optimum recovery of gas and liquid products in all gas deposits in order to assure a production level as stable and as lasting as possible for crude oil, and a sufficiently high gas production level to first satisfy the national market, in the light of the voluntary option to adopt the energy consumption model, as well as exportation needs.

In exploration, the objectives will be:

Pursuit and intensified synthesis studies, notably for the lesser known provinces.

Adaptation of the seismic ground program and of the drilling program (the number of wells will go from 21 in 1985, namely 80,400 drilled meters, to 37 in 1989, which means more than 100,000 drilled meters).

In the production of electric power, the goal is to achieve a production capability of slightly more than 4000 MGW in 1989, against 2800 MGW in 1984.

In rural electrification, which will have to be total before the end of the next five-year plan, the objective is 30,000 km of distribution network by 1988, which amounts to a rate of 8000 km per year.

In petrochemistry, the selection of new projects for the next five-year plan will be essentially guided by the concern to better meet the needs of the national market, while seeking a better utilization of the production facilities existing in this sector.

That is how a concerted effort of the EICP sector and that of the light industry, has made it possible to identify a definite market slot for the development of the petrochemical industry, namely that of synthetic fibers.

The development of the agricultural sector will also have broad perspectives in plastics (agricultural greenhouses, plasticulture, films, and so on).

[Question] Organizational measures were introduced by the five-year plan (restructuring of enterprises, financial restructuring, new price system, and so on). What have been the effects of these measures on the proper management of the sector?

[Answer] It is difficult to go into details, but it is possible to indicate a few highlights and features to illustrate the advantages of the sector organization. As an example, revenue from 1982 to 1983 increased from 81 billion Algerian dinars to 87 billion, while personnel increased by only 3 percent, from 136,000 to 139,000 persons, and the price of hydrocarbons dropped by 17 percent in March 1983.

If we consider the domestic and foreign effect of prices, we note that productivity or revenue per worker increased by 9 percent between 1982 and 1983. This is a significant effect for a sector whose prices were fixed by the international market, and which have additionally been frozen for one year.

[Question] The international crude oil market is still stamped by a certain stagnation. The growth so loudly hailed by the western countries is late in coming. During this time, the stocks of oil products remain considerable. What forecasts can be made for this year?

[Answer] We unfortunately have to admit that the oil exporting countries, whether OPEC members or not, have often and for various reasons given industrialized countries--the large consumers--the means to dominate the international energy market. The lack of discipline or rigorousness that we have encountered despite the laudable efforts made within OPEC, have nevertheless allowed the consumer countries to create large stocks which they have then used to lower prices in exporting countries. Many forecasts currently exist for energy demand, but as usual they are not disinterested and generally seek to force oil exporting countries to abandon current production discipline and consequently increase the effectiveness of the pressure exerted by industrialized countries on oil exporting countries. Much is being said about the recovery of the world economy, but the real resources are the ones we know: in the United States things are not clear even in the opinion of that country's leaders, in Europe the situation is not entirely good, and in the third world it is outright alarming.

This should spur OPEC into greater efforts at depending less on their exportation and much more on an effective management of the lasting resources of their economy. This is crucial to their independence from the outside world and from the pressures which rich countries can exert on them. The example of some developing oil exporting nations during 1983 is so close that we need not mention it again.

[Question] Production and price quotas are constantly mentioned in connection with the oil situation. What is Algeria's position on these two points?

[Answer] The quotas established in London in March 1983 were a compromise at the expense of small and medium-sized producers. But if we remember the difficulties OPEC encountered in reaching this compromise, we can only be careful in questioning it despite its defects. For prices, it is certain that in the light of the studies carried out by OPEC, which will be examined by the executive committee in March 1984 and discussed in June by the ministers' conference, and despite the rise of the dollar with respect to some convertible currencies, the matter of protecting the barrel's buying power remains settled. Some people confuse stabilization and price freeze.

For the intermediate future, Algeria is feeling brutal readjustments as an effect of an artificial oil price freeze and of the consequent perturbations in the economies of exporting nations and the rest of the world. That is why Algeria's position seeks a certain stability which can be organized as long as the exporting countries and the consumer countries benefit from it.

[Question] The SONATRACH company is currently involved with two of its partners in difficult negotiations about gas matters. Is not Algeria, which has always honored its international agreements, entitled to strongly denounce attempts against well established contracts? Are these attempts connected with an order that the third world wants to break?

[Answer] It is true that some SONATRACH partners are attempting to question the contractual obligations that they freely accepted with SONATRACH. Algeria's position is that compliance with international agreements among partners in international trade is one of the pillars of the recent economic development experienced by the international community. The industrialized nations do not hesitate to point out every occasion on which developing nations, often for legitimate reasons, attempt to question unfair agreements that were forced upon them. That is why SONATRACH expects its partners to honor their agreements, or at least bear the consequences of the changes which they want to obtain. To be sure, it is appropriate to distinguish those partners which are experiencing circumstantial difficulties, from those who want to reopen fundamental questions. Just as goodwill must reign between buyer and seller in a long term contract in the first case, the precedent that can be created in the second case can endanger the very future of international trade.

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CSO: 4519/117

MINISTER INSPECTS TLEMCEM HYDRAULIC PROJECTS

Algiers EL MOUDJAHID in French 22 Feb 84 p 3

[Text] Tlemcen (APS [ALGERIAN PRESS SERVICE])--
Continuing his 2-day working and inspection trip through the wilaya of Tlemcen, Mr Mohamed Rouighi, member of the Central Committee and minister of water power, environment, and forests, yesterday visited the sites for the construction of the Souani (Ghazaouet) and Sidi Abdelli (Tlemcen) dams as well as other equally important projects in the water and land use improvement sectors.

The second working day put in by the minister in the region was to be taken up by a visit to the construction site of the Souani dam where ENATHID [National Hydraulic Works Enterprise] has for 4 years already been employing vast resources for the execution of this project. This water power facility, whose completion is scheduled during 1985, will have a storage capacity of 15 million cubic meters. This dam's water reserves will essentially be intended for the irrigation of the Maghnia perimeter and the construction of its extension project over an area of 3,000 hectares.

This perimeter covers an already irrigated surface area of 5,000 hectares, with the water coming from the Beni Bahdel dam and reserves from the water table at Maghnia. Considering the effects of the drought over these past several years, the irrigation of this perimeter was reduced in line with a priority decision for the crops.

The second major water power project in the wilaya of Tlemcen is the Sidi Abdelli dam which the minister also visited during this trip. The dam, whose cornerstone was laid in 1980 by Mr Chadli Bendjedid, president of the republic, secretary-general of the party, has shown a rather appreciable rate of progress. This project will be finished also in 1985. With a total capacity of 56 million cubic meters, the Sidi Abdelli dam is intended to supply a portion of the water requirements for the city of Oran and also the irrigation of land situated in the lower Tafna.

The problem of resources constituting the wilaya's reserves will furthermore be the subject of a coming meeting to be held at the wilaya capital and be attended by local officials and those from the Ministry of Hydraulics and of Environment. In this context, as part of this resources mobilization effort, plans call for a big dam project which will be carried out on the course of the wadi of La Tafna where a large part of the water is still flowing into the sea.

Mr Mohamed Rouighi also inspected work on the drilling for the emergency program decreed by the government for the western regions that have been hit by the drought over these past 3 years.

The program for the wilaya of Tlemcen as a matter of fact calls for the drilling of 14 wells, four of which have already been started at Tlemcen. The wilaya's director of hydraulics noted in this respect that these four wells will be operational as of the beginning of the month of April. The water from these wells is intended to meet the needs of the population.

This trip also enabled the minister to inspect work in progress on the heights around the town, concerning the development of a national park extending over an area of 6,600 hectares. In its first phase, this park calls for the construction of three projects dealing with the development of a recreation area for children with the establishment of seven nursery schools, a playground, and a recreation forest.

In the context of this park and for the development of the Lalla Setti plateau, which, at an elevation of 800 meters, offers an unforgettable panoramic view of the city of Tlemcen, the wilaya--with the help of private investments--has envisaged the construction of hotels and other facilities (cafeteria, refreshment stands, etc.) based on standard plans for the convenience of visitors.

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CSO: 4519/118

UGTA HEAD ON WORKERS' COMMITMENT, SUCCESS OF NATIONALIZATION

Algiers EL MOUDJAHID in French 23 Feb 84 p 2

[Interview with Tayeb Benlakhdar by A. Chenouf: "The Workers Are Determined to Act on the Keynote of the Fifth Congress of the FLN Party"]

[Text] A double anniversary will be celebrated tomorrow throughout the land: The anniversary of the birth of the UGTA (General Union of Algerian Workers) on 24 February 1956 and the nationalization of hydrocarbons on 24 February 1971. This double celebration comes after the FLN Party held its Fifth Congress.

What significance does the UGTA assign to this twin anniversary? The answers were given by Mr Tayeb Benlakhdar, member, Central Committee, UGTA secretary-general, to our correspondent A. Chenouf during an interview whose first part we reprint below.

EL MOUDJAHID: The UGTA is celebrating its 28th anniversary and the 13th anniversary of the nationalization of hydrocarbons. What is the significance of this double commemoration in the present context?

T. Benlakhdar: Above all and in the name of the UGTA National Secretariat, I would--on the eve of 24 February 1984--like to address my brotherly greetings to all Algerian workers.

To answer your question, I would say first of all that the celebration of the anniversary date of the creation of the UGTA is, at once, a return to the past, an evaluation of the road we have traveled, and a look toward the future.

A return to the past--that above all is an opportunity for the workers to express their unalterable loyalty to the history of the heroic and victorious struggle of our people against the domination, oppression, and exploitation of French colonialism.

It is also an opportunity and a necessity for each of us, workers and elected officials, to perpetuate the memory of those of our brothers who made

the supreme sacrifice and who, in the case of some of them, gave their lives so that the ideals of liberty, dignity, and justice might triumph in Algeria.

The return to the past is also a manifestation of our fidelity to the memory of the martyred brother workers who quickly became aware of the fact that the defense of the interests of the Algerian working masses would not be sufficiently served by any labor union action, no matter how perfectly it might fit into the implacable logic of the colonial yoke, and who immediately undertook to create a truly Algerian labor union organization whose primary--is not only--mission, was to organize the resistance and struggle of the Algerian workers against colonial rule under the leadership of the Party of the National Liberation Front.

Finally, the return to the past is an opportunity for each worker to look deep into our history and find that inestimable wealth which was left to us by our martyred brothers. I am talking here about the spirit of patriotism, the spirit of sacrifice and self-denial, to mention only those virtues, among all others which forged the solidarity, unity, strength, and discipline of our people during the war for national liberation.

On that score I must not fail to recall that the commemoration of this anniversary coincides with the celebration of the 30th anniversary of the launching of the armed struggle of national liberation. Rest assured that the workers and their representatives will concretely contribute to the celebration of this historical date.

EL MOUDJAHID: What do these two anniversaries mean to the workers?

T. Benlakhdar: I also stressed the fact that the commemoration of this anniversary means a review of the road we have traveled. On that subject, I would simply say that the workers are fully aware of the reality of things and of events which make up the history of our country. During the national liberation struggle, the UGTA naturally had to organize itself and to rally the workers under the direction of the National Liberation Front in order to fight the colonial occupier.

Today, the UGTA, an integral part of the political leadership, takes up a precise mission in a resonsible fashion: Through its specific ways and means to contribute to the accomplishment of the national, political, economic, social and cultural tasks and to the construction of a just and prosperous socialist society under the leadership of the Party of the National Liberation Front, the guarantor of revolutionary continuity.

To mention only certain national tasks to whose success the workers and their organization contributed completely, I might mention the socialist management of enterprises, the agrarian revolution, free medical care, the democratization of education and, much closer to us, the attainment of the objectives of the five-year plan and, finally, the complete success of the Fifth Congress of the FLN Party and the enthusiastic and unanimous re-election of Brother Chadli Bendjedid to the office of president of the republic.

Nor must I forget to recall the decisive role of the workers right after independence, when it was necessary to lay the foundations of the national economy in an Algeria devastated by the war that was forced upon us by the colonial occupier.

Finally, I must recall that the present mission of the UGTA also involves the defense of the interests of the workers. Here I consider it useful to point out specifically that, in no case, do we construe our mission as being a mission that would consist in conducting drives in support of labor demands, based on the worker category pattern, against an employer or against an exploiter state. There is a simple reason for this: The sacred ideals of our revolution, the content of the National Charter, the road followed by the political leadership, headed by Brother Chadli Bendjedid president of the republic and secretary-general of the FLN Party, as well as the profound aspirations of the workers; all of these reasons constitute the very essence of our revolutionary road and persuade us to reaffirm the total convergence between the interests of the workers, the enterprise, and the country.

This being so, it is evident that the UGTA remains vigilant regarding the correct and complete implementation of all measures decreed by the political leadership in favor of the popular masses, just as it devotes its full attention to the stubborn defense of the rights and interests of our fellow workers in the private sector.

I also said that the celebration of this anniversary is a look toward the future. As a matter of fact--and to be more specific--I would say that the workers and their organization have great confidence in the future, a future which they resolutely pledge themselves to build, with all of the social forces of the revolution, for the sake of greater progress and for the greater well-being of the masses.

I talked about confidence and commitment. In other terms, I would stress the full satisfaction of the workers following the positive results of the Fifth Congress of the FLN Party and the re-election of Brother Chadli Bendjedid as secretary-general of the party and to the supreme office of the country. On this subject I would insist on saying that these results represent new and precious gains for the masses, gains which are a definite reaffirmation of the irreversibility of the socialist option; they constitute a clear response to the concerns and aspirations of the popular masses.

Here then are the reasons for the confidence of the workers in the future and for their commitment to work hard and to see to the attainment of our revolution's objectives.

Along these same lines I would like to stress that the workers and their organizations are more than ever determined to act, in the places of work and through their sustained efforts, on the key not of the Fifth Congress of the FLN Party, "work and discipline to guarantee the future."

Your question also touched on the meaning of the celebration, by the UGTA, of the 13th anniversary of the nationalization of hydrocarbons.

Allow me to remind you first of all that--for reasons we are all familiar with and which I will take up later--the UGTA has since 1972 been combining the celebration of these two anniversaries with the same dash and the same fervor.

EL MOUDJAHID: Could you be more precise?

T. Benlakhdar: To answer your question, I would like to say above all that the historical event of 24 February 1971 was the concrete expression of a total symbiosis between the aspirations of the people, the higher interests of the revolution, and the road followed by the country's political leadership.

Since it was a revolutionary requirement, the nationalization of hydrocarbons specifically expressed the determination clearly stated by Algeria to preserve and strengthen its political and economic independence.

I would furthermore like to emphasize that we cannot grasp the full significance of this measure, nor can we understand its symbolic dimension, if we do not assign the proper value to the fact that the decision to nationalize hydrocarbons was made public by the revolutionary government on the occasion of the meeting organized by the UGTA in the House of the People during the celebration of the 19th anniversary of the creation of UGTA.

This measure was received with profound enthusiasm and was an opportunity for the workers to make a rousing demonstration of their high level of political awareness, their patriotic spirit, and their capacities for mobilization in the face of stakes whose importance they perceived clearly.

In other words--and after the moments of joy had gone by--the workers realized that their sustained efforts in their work, their creative genius, and their initiatives, their constant vigilance--all of these things were the most effective weapons with which to counter the maneuvers of intimidation and blackmail and the attempts at sabotage carried out by foreign oil companies which moreover had recalled all of their supervisory personnel.

It was then that the miracle--and this word is not too strong--came about. The Algerian workers and the supervisory personnel in the hydrocarbons sector, to whom I want to render special homage at this time, were not able to keep all of the equipment going but they also ran all of the other production and sales activities involved in our hydrocarbons in a normal fashion--this, quite obviously, to the great disappointment of those who had expected the country's national economy to be ruined.

Earlier I talked about a miracle. To be more correct, I would say that it was simply the miracle of work and of the patriotic spirit. The time as a matter of fact had come for the workers to prove their tremendous capacities in facing all of the challenges, no matter how much somebody might try to attack our effort to build a strong and really independent economy.

In concluding my answer to your first question and once again to place this double celebration within the current context, I must emphasize that the UGTA has placed these two anniversaries under the sign of labor. Thus the day of 24 February 1984 will be devoted by the workers to volunteer work involving reforestation and production throughout national territory. In the name of the National Secretariat I want to take this opportunity which is offered to me by your nationwide daily once again to call upon all workers and labor union officers massively to participate in this national volunteer work campaign.

(We would like to point out that, throughout this interview, Mr Tayeb Benlakhdar forcefully and in detail spoke about the action plan of the UGTA after the Fifth Congress of the FLN Party which also corresponded to the term of the first five-year plan. The question of the SGT [Secretariat-General of Labor] was furthermore discussed by the UGTA secretary-general. We will print the continuation of this interview in our next edition.)

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CSO: 4519/116

NDP MANEUVERINGS IN ANTICIPATION OF UPCOMING ASSEMBLY ELECTIONS DISCUSSED

London AL-TADAMUN in Arabic No 40, 14 Jan 84 p 14

[Article by 'Abd-al-Qadir Shuhayb: "The National Democratic Party Attempts to Attract Some of the Opposition Leaders"]

[Text] Comprehensive changes in the ruling party before the elections.

Some of the leading figures of the opposition parties join the ranks of the ruling National Democratic Party [NDP], and this may help to increase its percentage of votes.

After the disappearance of the idea of establishing a new ruling party in Egypt to replace the NDP, there emerged the idea of introducing comprehensive changes and modifications in the NDP before the upcoming parliamentary elections which are going to be held next April. The purpose of this idea is to have the party regain its position and improve its image in order that it be better able to deal with the opposition parties.

During the few months which preceded the assassination of former President Anwar al-Sadat and Husni Mubarak's assumption of the duties of the presidency in Egypt, the prestige of the ruling party in Egypt suffered some damage. There were various reasons why this occurred, and the main reasons were the differences which began to emerge inside the party after the assassination of President al-Sadat and the subsequent abrogation of the decrees which he had issued in September of 1981. These decrees included the arrest of a number of prominent Egyptian politicians from various parts of the political spectrum, the dismissal of some journalists and university professors from their jobs in their newspapers and universities, and the shutting down of the opposition newspapers.

After the opposition parties once again resumed their activity, the intensity of their opposition to the ruling party escalated, and other opposition forces made attempts to establish parties of their own, the leaders of the NDP had differences of opinion concerning how to cope with the opposition parties. Some of them felt that the escalation of this opposition was something which was natural and no cause for alarm. In fact, they felt that this was something which would guarantee security and

stability in Egypt. Others, however, considered this escalation of opposition to be a troublesome matter and appealed for the NDP to follow a hard-line policy when dealing with both currently-existing opposition parties and with groups preparing to establish other opposition parties.

This difference in approach between those in favor of a hard-line policy and those in favor of a more conciliatory policy with regard to dealing with the opposition found expression on several different occasions. The principal such occasions were the modification of the Elections Law in Egypt and the Advisory Council elections. There was also another difference which existed between the party's official leaders and the unofficial leaders who, during the al-Sadat era, played a prominent and influential role by virtue of the personal ties which they had to him or by virtue of their economic influence.

There is no doubt that these differences have affected the position and degree of influence enjoyed by the ruling NDP. This was clearly shown in the results of the Advisory Council elections which were boycotted by the opposition parties. In those elections, the NDP received 51 percent of all of the votes, as compared with 100 percent of the votes in the previous elections. At the same time, there was increasing criticism directed toward Egypt's ruling NDP. The most important element of this criticism was the accusation that the NDP was a refuge for numerous persons who had gotten themselves involved in court cases involving corruption. Some of them were convicted--such as Tawfiq 'Abd-al-Hayy, Rashad 'Uthman, and others. Some people, in their criticism, went even farther and said that the NDP provided an opportunity for such persons to illegally enrich themselves, to exploit their influence, to occupy a number of parliamentary seats in the People's Assembly, and to take over a number of the leading positions inside the NDP. This greatly harmed the reputation of the NDP. Thus there emerged the need to deal with this criticism that the ruling party in Egypt was being subjected to. This was particularly true after the Wafd Party won the first round of its legal battle to win the right to resume its activity and after it was expected that this party would also win the second round of this battle and was making preparations to enter the upcoming parliamentary election campaign. During the last few months two different ideas emerged concerning dealing with the problems faced by the NDP. The first idea was to establish a new ruling party to replace the NDP. The second idea, however, involved introducing comprehensive changes and modifications in the existing party. As time went by, the second idea gained preponderance and the first idea fell by the wayside. This occurred because the party wanted to maintain stability and did not want to open up the door to the formation of new parties in Egypt whose formation right now might not be desirable.

Those in favor of the idea of introducing changes and improvements are proposing that this be done by means of ridding the party of some of the elements whose presence damages the reputation of the party. They propose that this be done by suspending the membership of these persons or by not putting their names on the lists of the party's candidates for the upcoming People's Assembly elections. Likewise, they propose bringing new blood and acceptable persons into the party.

Recently the party leaders have actually already begun to put these proposals into practice. They have prepared a list containing the names of candidates whom they want to see dropped from the party lists during the upcoming elections or dropped as members of the party.

Some sources close to the leaders of the NDP indicate that the candidate lists of the party during the upcoming elections will not contain the names of a number of persons in the NDP who are currently in the People's Assembly. At the same time, some of the party leaders have begun to contact a number of public figures in Egypt in an effort to get them to join the party.

Two of the most important persons currently being contacted--or likely to be contacted--in an effort to get them to join the NDP are Dr Yahya al-Jamal, assistant secretary general of the opposition National Progressive Unionist Grouping Party [NPUG], who resigned from the party several months ago, and Dr Milad Hanna, a member of the Secretariat General of this party. Both of these persons espouse the idea of establishing a new party which would be a real party of the people.

This list also includes Mansur Hasan. Mr Hasan used to be a member of the Secretariat General of the NDP, was formerly the minister of information, and enjoys the widespread approval and support of Egypt's journalists and other persons working in the media.

So far these contacts have resulted in the NDP recruiting a number of the leaders in the opposition Socialist Labor Party such as Dr Hilmi al-Hadidi, 'Abd-al-Sami' Mabruk, a member of the party's Higher Committee, and others, in addition to Dr Muhammad Hasan al-Zayyat.

The leaders of the NDP hope that these changes will help to increase the percentage of votes received by the NDP and its candidates during the upcoming elections.

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EGYPTIAN-IMF DIALOGUE ON UNIFYING EXCHANGE RATES

London AL-TADAMUN in Arabic No 40, 14 Jan 84 p 39

[Article by 'Abd-al-Qadir Shuhayb: "Lowering the Exchange Rate of the Egyptian Pound Is the Subject of Talks Between Egypt and the IMF"]

[Text] Right now talks are going on between Egypt and the IMF, and the objective of the talks is to eliminate the existence of multiple exchange rates for the Egyptian pound. The plan is to unify these exchange rates and set a standard exchange rate which will be used in all import and export transactions. The goal is to have the exchange rate be a realistic one which will approximate the exchange rate currently prevailing in the free market--an exchange rate which is 40 percent higher than the official exchange rate of the Egyptian pound. This will result in officially lowering the exchange rate of the Egyptian pound vis-a-vis foreign currencies. A statement to this effect was made by 'Ali Najm, vice governor of the Central Bank of Egypt, at the conference held by the Administration Club in Egypt which was devoted to discussing the problems of the Egyptian pound at the present time.

Mr Najm went on to say that there will soon be an announcement concerning a new standard exchange rate for the Egyptian pound after the talks between Egypt and the IMF have been concluded.

Multiple Exchange Rates

These talks concerning the exchange rate of the Egyptian pound and the necessity of lowering it began about 2 years ago after the experts of the IMF who periodically visit Egypt noticed the system of multiple exchange rates and saw that the Egyptian pound had about five exchange rates vis-s-vis foreign currencies. These five exchange rates are the following:

1. There is the exchange rate used by the Foreign Currency Division of the Central Bank, and this exchange rate is 70 piasters to the dollar. This exchange rate is used in transactions having to do with revenues from the Suez Canal and earnings received for some basic exports such as cotton and oil. It is also used in transactions dealing with importing some basic commodities such as wheat, flour, tea, sugar, edible oils, and insecticides. In addition to this, this exchange rate is used in the servicing of foreign debts.

2. There is the exchange rate used by the Foreign Currency Division of the Commercial Banks, and this rate is 84 piasters to the dollar. This exchange rate is used in transactions dealing with tourism, the remittance of the savings of expatriate Egyptian workers, and the importing of production requirements for public sector firms.

3. There is also the new exchange rate which banks in Egypt this year have begun to utilize for the purpose of attracting the savings of Egyptian expatriate workers. This exchange rate amounts to the prevailing exchange rate in the [Foreign] Currency Division of the Commercial Banks plus the currency procurement fee. This exchange rate ranges between 105 and 110 piasters to the dollar.

4. The exchange rate actually used in the free market or black market vis-a-vis foreign currencies is now as high as 116 piasters to the dollar. Observers expect this exchange rate to increase in the future in spite of the fact that the police in Egypt are cracking down on foreign currency dealers in the black market.

5. In addition to all of these various exchange rates of the Egyptian pound vis-a-vis foreign currencies, there is also a fifth exchange rate utilized within the framework of commercial transactions between Egypt and nations with which Egypt has special payment agreements. Right now there are only four such nations, and the exchange rate utilized with them is 37 piasters to the dollar.

Egyptian experts and experts from the IMF are of the opinion that this turmoil in the exchange rates of the Egyptian pound is attributable to a series of different factors. They include the deficit in the public budget, the increase in Egyptian imports from foreign countries, the slowdown in exports for about the last 7 years, the payment of the salaries of one sector of employees in foreign currency, and the sale of Egyptian goods in foreign currency. In addition to the factors above, there are the negative consequences which have resulted from the decision to totally transform the city of Port Said into a free zone city and allow freedom of transaction in foreign currencies there. Furthermore, there are the negative consequences which have resulted from the increase in the interest rates on the dollar and the other foreign currencies.

The IMF experts feel that the existence of multiple exchange rates for the Egyptian pound is something which negatively affects production, investment transactions, and exports to other countries.

For this reason the IMF experts are telling the Egyptian government that it is necessary to eliminate this phenomenon of multiple exchange rates for the Egyptian pound and unify these rates so that there will be one realistic and acceptable exchange rate. This exchange rate would be set on the basis of supply and demand with regard to the Egyptian pound and the various foreign currencies used in Egypt.

This new exchange rate proposed by the experts of the IMF involves a reduction of up to 30 percent in the value of the Egyptian pound vis-a-vis the foreign currencies. The objective of this reduction would be to increase Egyptian exports.

The Egyptian authorities are willing to go along with the proposal by the experts of the IMF involving reducing the exchange rate of the Egyptian pound. However, they do have their reservations about putting this proposal into effect immediately, especially with the 30 percent decrease set by the IMF experts.

The Egyptian authorities feel that, before introducing the measure involving lowering the exchange rate of the Egyptian pound, it is necessary to take other measures to solve the problem of the subsidies allocated in the public budget in order to maintain the prices of basic commodities, to eliminate the phenomenon of double prices which prevails in Egypt, and to increase the prices of public sector products in order to guarantee an appropriate profit. This latter measure would be taken in order that there be no negative consequences for public sector products because of the lowering of the exchange rates of the Egyptian pound. This lowering of the exchange rate would entail an increase in the prices of all goods, including the production requirements of these firms [in the public sector].

The Egyptian authorities are also of the opinion that it is necessary for the Central Bank of Egypt to have sufficient foreign currency reserves to utilize at the appropriate time in order to prevent speculation on the exchange rate of the Egyptian pound after it is floated and allowed to be set in accordance with the factors of supply and demand.

However, the authorities responsible for the Egyptian economy are prepared to accept a partial and limited reduction in the Egyptian pound's exchange rate right now, especially after they have paved the way for this by eliminating, for all practical purposes, the prevailing exchange rate utilized by the Foreign Currency Division of the Commercial Banks and have encouraged public banks and public sector firms to utilize a new incentive exchange rate which approximates the exchange rate which currently prevails in the free market.

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JOURNALIST BEMOANS NDP POLICY, WEAKNESS OF THE ARAB WORLD

Cairo AL-SHA'B in Arabic 3 Jan 84 p 22

[Article by Fathi Ridwan: "It Is Our Fault"]

[Text] The Prophet of God once said: "Do not curse fate." And an ancient Arab poet once said: "We are ruining our destiny, and it is our fault. We have no one to blame but ourselves."

Another year has just gone by, and were it not for the fact that we recall what the Prophet said and the verse uttered by the ancient Arab poet, we would be cursing this year that has just passed by and we would be saying the worst things that it is possible to say about it. This year was one in which we suffered all possible trials and tribulations. The worst things that we had to endure were cowardice, laziness, weakness, and failure.

During this past year our enemy continued to break into our homes, kill our children and our women, destroy our homes and towns, and tear apart our ranks. This enemy is helping the most despicable nation on earth and the most dangerous race of mankind to attack us and is encouraging them to exercise even more tyranny over us. Then our enemy is demanding--with indescribable impudence and unbearable arrogance--that we become his sincere friends and obedient servants, that we love only him and be faithful to none other than him, that we rely on no nation and government other than his nation and government, and that our worst enemies become the people that we love the most.

If destiny could speak, it would loudly tell us that God has tormented none of His servants before the Day of Reckoning and the Day of Judgment as He has tormented us. We have been given more wealth than anybody has received, but we have remained poor. Many of our people and those belonging to our race are still dying of hunger and thirst like exhausted beasts of burden.

Our Area Is a Home Which Is Fair Game for All

We have been given the greatest location in the world in terms of importance and significance. Invaders and tyrants are lusting after our lands and they would pay any price to seize them. This area which is in our hands is like a home which is fair game for all, a house which has no doors or windows, and a

place which is not guarded by any barriers or guards. Any vagabond can wander up to our home, and any miserable thief or highway robber can enter it.

We have been made the heirs to mankind's noblest of prophecies and highest of cultures. Our ancestors created fine arts and high-level sciences and they laid the foundations for our contemporary civilization which has produced technology and enabled mankind to be the master of his environment and the universe. But our presidents, leaders, learned men, and Islamic legal experts are illiterate people who are uttering words which centuries ago lost their meaning, became devoid of their content, no longer attract anyone's attention, wake no one up from his sleep, arouse no one's concern, and do not impel helpless people to cast off their stigma of shame and protect their homeland from humiliation.

Let us attempt to enumerate our afflictions and catastrophes.

The only fighting unit which we have among all of our armies has resorted to engaging in infighting. Its arrows and lances have not been directed toward the enemy. The people in this fighting unit have viciously and violently fought each other, people have been decapitated, blood has been shed, and towns have been destroyed. From among the ranks of this nation which extends from the Atlantic Ocean to the Persian Gulf and which numbers millions of people, not one person has emerged who can, with self-confidence and a feeling of security, give the order: "Stop this disaster. These weapons are not your property. They are the property of all the Arabs. This blood is also not your property. It is the blood of all the Arabs. Shame on all of you. Put your swords back into your scabbards right away, otherwise your nation everywhere will rise up against you, will curse you, and will expel you from its ranks."

Uncle Sam Is Seizing His Opportunity

The Arabs have been without a leader, commander, president, or guide. Everyone has endeavored not to anger anyone else, and no one has taken a position or put forward an opinion. Blood started being shed, and now the battles are becoming more numerous and are expanding. Destruction is engulfing our nation with its pitch-black wings and the owls are screeching and the crows are hovering all around.

In the midst of all of this gloomy catastrophe, someone emerged [and said that he] is our greatest friend, is our protector, is the supplier of our weapons, and can formulate the fundamentals of our policy. This person is Uncle Sam. Uncle Sam is seizing this opportunity to dissolve and destroy us and to eliminate all of the foundations of our existence. He has loudly proclaimed: "Oh Arabs. Right now you have no value, no existence, no will, and no determination. I am going to increase my aid to Israel--your enemy. I am going to give Israel even more than it has been given, I am going to make even greater efforts [to help Israel], and I am going to enable Israel to rule forever and to have power that will never disappear. Israel is more worthy to rule in my name than you are, and Israel will dictate its will to you. Do not complain and do not utter a single word." He then sent one of

his political leaders to Israel to consult with [Israel's] prime minister. This political leader then returned and made statements which no one could understand, but was dealing with matters which are quite clear-cut. Our great thinkers and politicians then plunged into an analysis of this riddle--whose answer is obvious--which says: "Why has the U.S. chosen this particular time to challenge us, to tear us apart, and to declare its intentions [which are hostile] toward us more than it has ever done before?"

It was as if this act alone were enough to destroy a strong nation. We allowed the bold and arrogant aggressor to attack us, and we did not ward off his attack. What we did was to hold conferences and talks in order to find out what we had done to cause him to do this. He was scorning and mocking us, but we endured all of his insults and all of his abuse.

Our bold enemy was happy to see this reaction. He then suggested to us that he would tone down his excesses and he minimized the importance and gravity of his recent agreement which is called the "strategic agreement [with Israel]."

We then congratulated each other because we had shown our courage and because the fire in our eyes had shown such ferocity that the U.S. became gripped with fear.

The Task of the New Generation

Tell me, oh Arabs everywhere. Have we endured any insult, abuse, and humiliation worse than this insult, abuse, and humiliation?

Is there not even one person among us who will stand up and say the following to the authorities of political thought who are teaching us how to think, how to analyze events, how to interpret disasters, and how to attribute everything that afflicts us to its original cause and other causes: "The whole thing is very clear and very obvious. The problem is that we have no strength, no will power, and no determination. We are not daring to stand up and declare to the U.S., in a simple and primitive rustic manner which is devoid of all long-windedness and pedantry: 'Unfortunately you are our enemy. We have been patient with you and we have waited for you to come to your senses. You have been savoring our weakness, and you have the right to do so. But the time has come for us to join hands with the Devil himself in order for us to find a solution to the situation which we have fallen into and which we have ended up with.'"

We are fed up with analyses and interpretations. We know what the truth is, and this truth is staring us in the face and is piercing our skin. The truth is that we are a nation which has died and we have not found anyone to bury us.

The new generation which will be inheriting this great nation will have to break away from the ranks, step out in front of everyone, and plunge into the noble battle with a spirit of integrity and independence within the limits that God has determined and the limits which have been dictated by mankind throughout the ages.

As long as we do not do this, let us at least not be misled by what is being said and what is being written. The purpose of most of what is being said and being written--although this is stated nowhere--is to have us remain the servants of the U.S. The reason is that the people who say and write these things are the accomplices of the U.S., their tongues speak the language of the U.S., they repeat the jibberish of the U.S., and they are the servants of the U.S. who covertly operate for the benefit of the U.S.

In 1983 the war between Iraq and Iran continued. Our Arab blood is being shed and our Arab money is being squandered in a fierce battle which should not be taking place. [It is all happening] for the same reason.

The Muslims have no leaders. Whenever any group of people does try to take on the burdens of leadership, these people do not consult, read, or put into practice the constitution of the Muslims. As for the war between Iraq and Iran, one wonders where all the thousands of Muslim scholars are and why they are not actively and continuously going to the field of battle to see the situation for themselves and then talking to the leaders and rulers--because keeping the Muslims from shedding each other's blood is not an easy task.

In Egypt, amidst all of our sorrows and calamities, the party in power insists on doing nothing but making us laugh in order to alleviate the severity of our pains and declares to us that only the party in power has been empowered by God to solve our problems.

The truth is that this statement, when I heard it, did make me laugh to the point that tears came to my eyes and I said: "Oh Lord. As long as You have sent down to us this party to solve our problems, what is keeping this party from solving even one of these problems? Why do we have these other parties which are multiplying and becoming more and more complex, and why do we have these problems here?" We are managing only to get a slice of bread or a bit of something to drink, and we have taken only one step along the road--which is [like] a road to Hell and is covered with obstacles, pitfalls, and potholes and threatens to twist our ankles and break our necks. The fact is that we know what is being done by the secretary general of this government party in order to take, by the hand, poor and helpless people, most of whom condemn the policy of the nation's largest party, and call upon them to go to the election polls, support this party, and declare to people how strongly they believe in this noble party. Even so, only a few people are responding to this call. In the electoral district of Alexandria, where there was a real battle and the candidate of the opposition so far has been victorious, less than 4,000 voted. What happened to the many thousands of persons whose names have filled up the voter registration lists? After all, the government did everything in its power to get its supporters to come out and vote.

The Opposition Has No Voice

This gives an idea of the extent to which public opinion is something that has declined and shows how much the public has turned its back on all public [political] activity, no matter how significant and important it might

be--even if it is a matter of electing a representative who speaks on behalf of the people and defends their interests.

The opposition cannot be blamed for this despicable and deplorable consequence. All of the media used for advertising, propaganda, sending out appeals, and rousing people's interest are in the hands of the government, and they are monopolized by the government. People in the opposition are not allowed to go anywhere near, or climb the steps of, the buildings which house these media. This is true even with regard to the newspapers, magazines, and other publications, and it is true of all of the government agencies which mould public opinion such as those connected with schools, institutes, colleges, universities, and cultural, scientific, and religious councils. How did it happen that the mass of voters managed to escape this network that was so carefully laid out to catch them?

The only explanation for all of this--and it is something which is extremely deplorable--is that people are living without a type of belief which holds them together and they have no leaders who are leading, inspiring, and uniting them. These leaders have only one objective, and this objective is to adhere to the Camp David agreements. They consider the Camp David agreements to be the cornerstone of their ideology and the firm foundation of their faith and belief.

Camp David, unfortunately, is something which is more like blasphemy and is tantamount to straying from the correct path.

What we are appealing for is the creation of new generations of people who will take on the burdens [of leadership], will perform their mission, and will sweep away those who are squatting on their monopoly in the realm of determining what ideas and opinions should count. This is something which would be permitted by law and would be allowed by the principles of our constitution. A loud and active appeal should be made to have this done. Justice and the public interest require that we mobilize the people, warn them, and utilize all of their inclinations toward putting out effort and participating in public [political] activity in a persistent and vigilant fashion and with a willingness to constantly work hard and defend their positions.

It is a long and difficult road, and it will be full of obstacles. Nevertheless, we must proceed along this path and--God willing--we will reach our goal.

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SUCSESSES SCORED IN FIELD OF BANANA CULTIVATION

Cairo AL-AHRAM in Arabic 25 Jan 84 p 9

/Article by Hasan Salumah: "We Have Been Successful With the Growing of Somali Bananas in Egypt"/

/Text/ Right now experiments are also being conducted with the growing of Australian bananas.

Egypt finally no longer needs to import bananas.

We have been successful with the production of the splendid large-size bananas which were abundant in our marketplaces about a year ago or more and which then suddenly disappeared after they were eliminated from the list of goods imported by Egypt. The story of this success begins with a meeting held between President Husni Mubarak and the president of Somalia, Siad Barre, during one of his visits to Cairo.

The two presidents talked about agriculture, agricultural production, and the surplus of some goods as opposed to the shortage of others, such as bananas. After this discussion, the Somali president promised to give Egypt some tree seedlings to grow the famous Somali bananas called "buyu" bananas in order that Egypt experiment with the cultivation of this type of banana tree. An exception was being made in this case for Egypt since Somali's laws prohibit these banana-tree seedlings from leaving Somalia. The first evidence of the production of this type of banana /by Egypt/ which was seen by Dr Yusuf Wali, the minister of agriculture, was a cluster of five bananas presented to him by Dr Hasan al-Hamawi, the chief researcher /who dealt with the cultivation of these bananas/. the government was pleased about the splendid results of this experiment since it will result in providing Egyptian families with a splendid variety of bananas for their dinner tables.

Dr Wali told us: "In 1983 bananas were produced over an area totalling 17,000 feddans. This represents an increase of 8,000 feddans over the year 19 /remainder of figure illegible/. However, this increase does not match the requirements of domestic consumption and is not in keeping with the importance of this crop. /word illegible/ the ministry had a plan for promoting the growing of bananas and increasing the production of bananas. The plan included the following:

1. Importing new types of high-quality bananas.
2. Increasing the current productivity of our banana farms.
3. Expanding the total area used to cultivate bananas, especially in the governorate of Qina."

The following remarks were said by Dr Salah Baha'-al-Din, director of the Horticulture Research Institute: "The type of banana tree currently /word illegible/ widespread in Egypt is the short-stalk Indian variety. Our nation had not imported any commercial varieties of bananas for more than 2 /figure incomplete/ years. Finally the ministry imported the /word illegible/ variety of banana which originally was grown in Australia. The fruit of this variety of banana is good, and it is a large-size banana whose cluster weighs up to 30 kgs. It was grown in banana-tree nurseries last year and it proved to be free of plant diseases. Right now it is being experimentally grown in orchards in 14 different areas of the governorates of al-Qalyubiyah, al-Minufiyah, al-Gharbiyah, al-Buhayrah, Qina, and Aswan. The first signs of this banana crop have actually already begun to appear."

Dr Mamduh Riyad, the institute's banana specialist, told us: "The ministry has set up a program to help banana growers improve some of their traditional agricultural practices in order to raise banana productivity. This will be done by means of utilizing herbicides on the banana farms instead of engaging in the laborious process of digging and breaking up the soil, fertilizing it by means of irrigation, and cutting off the flower stems after the clusters have opened up. This leads to an increase in the crop by as much as /words missing/ and accelerates the crop by 15 days. The banana clusters are then covered with blue or white polyethylene bags at the end of September in order to hasten the formation of the fruit. The growing /of each banana tree/ is done in narrow 2-square-meter areas and the cultivation of one variety is pursued instead of growing bananas over larger areas. This method has led to an increase in the crop of about 30 /word or percentage sign missing/. Also, the plants hit by viruses were injected with a chemical compound in order to dissolve them and get rid of them instead of having to dig them out by the roots and transport them away from the banana farms."

When asked why the governorate of Qina was chosen to be the location for increasing the cultivation of the new types of bananas, Dr Riyad answered: "In 1970 Qina grew regular bananas on 300 feddans of land. By 1982 the total area planted with bananas went up to 3,500 feddans, and Qina thus became the number one governorate in Egypt as far as banana cultivation was concerned.

"The reason for this is that Qina's climate and soil are suitable for the cultivation of bananas, especially in the lands of the numerous islands which appeared in the Nile after the High Dam was built.

"The crop comes out of the ground early in Qina, and most of it is already grown by December. This impels the banana growers and merchants to market the bananas in the governorates of Cairo and Alexandria at high prices before the appearance of the crop in Lower Egypt--and the crop there generally begins to appear in January.

"The banana farmers in Upper Egypt are convinced that bananas are a profitable crop in comparison with the traditional crops which they have been cultivating.

"The disease which causes reddening of the top of the banana plant is not very widespread /in Qina/. The reason for this is that the hot temperatures during the summertime there prevent the spread of the aphids which carry this disease. This is one of the most dangerous of the diseases which afflict bananas in Egypt.

"There is a larger labor force available /in Qina/ than in the governorates of Lower Egypt."

Dr Riyad went on to say: "Dr Wali has agreed to consider the governorate of Qina as the area where the cultivation of bananas will be concentrated. Furthermore, all banana growers will be members of their own special branch or division within the General Federation of Orchard Crop Growers and Exporters.

"For this reason, it has been decided to set up 10 model nurseries for the cultivation of bananas in the governorate of Qina in order to provide banana growers with the banana-tree seedlings which they will be needing. This will be done instead of bringing in tree seedlings from the nurseries of Lower Egypt because these tree seedlings are mostly afflicted by the disease which causes reddening of the top of the banana plants. Furthermore, it has been decided to set up 50 banana-tree seedling nurseries in Qina this year."

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ARAB ENROLLMENT IN EGYPTIAN UNIVERSITIES ON RISE

London AL-TADAMUN in Arabic No 40, 14 Jan 84 p 15

[Article by Labib al-Siba'i: "Relations Between Universities Are Paving the Way for the Political Return: There Is a Rise in Enrollment in Egyptian Universities of Students from Other Arab Nations"]

[Text] Apparently the development and improvement of relations between Egypt and the other Arab nations is assuming various dimensions and is occurring via different quiet channels which are opening up and paving the way for the political return [of Egypt to the Arab world]. This includes the improvement of university and educational relations between Egypt and the other Arab nations and includes Egypt regaining its membership status in a number of Arab professional federations and organizations.

In addition to this, the policy of accepting students from other Arab nations--especially Palestinians--in Egypt's universities was furthered to a considerable degree by the decree issued a few days ago by Dr Mustafa Kamal Hilmi, Egypt's deputy prime minister and minister of education. This new trend was reflected by the acceptance of 800 new Palestinian students in the various schools of Egypt's universities this year, including the schools of medicine, engineering, dentistry, pharmacy, economics, and political science.

A responsible university source has told AL-TADAMUN that this year's enrollment represents a considerable positive change as far as accepting Palestinian students is concerned. This is something that has been subject to numerous restrictions since President al-Sadat made his trip to Jerusalem in 1977. These restrictions involved a reduction in the number of Palestinian students accepted, restricting their enrollment to the schools that were in demand by the students, and restricting their enrollment in the schools of medicine, engineering, dentistry, and pharmacy--the schools that have opened up their doors to them this year.

The university source went on to say that, as far as the University of Cairo itself is concerned, the number of Palestinian students there will go up to more than 1,100 students after this year's enrollment. Of this total, 950 have already been enrolled as students and the remaining 150 will be new students this year. This means that Palestinian students will comprise the

largest group of non-Egyptian students in the various schools of the university. Second place will be occupied by students from Sudan, of whom there will be a total of 1,030. Third place among the non-Egyptian students in the University of Cairo will be occupied by the students from Jordan who will number 160.

This source added that, in spite of the existence since 1977 of an unofficial policy to cease enrollment of students from Syria, Libya, Iraq, Algeria, and the PDRY in the various schools of the Egyptian universities, this policy has also been unofficially changed. A limited number of students from these nations now can be accepted, especially those from Iraq and Algeria, whereas students from Syria, Libya, and the PDRY are enrolled only after very careful investigation. Nevertheless, merely the fact that they are being accepted in Egyptian universities again means that there has been a tangible change which represents a cause for optimism.

Dr Hilmi stated that Egypt's educational role in the Arab world is something which has never ceased and went on to say that cultural and academic relations between Egypt and all of the other nations of the Arab world were never cut off--not even for a single day. He said that Egypt, every year, agrees to provide professors to teach in the universities of the Arab world. He added that the doors of the various schools of Egypt's universities have been open to about 6,000 students per year from the other Arab nations as long as these students have fulfilled the acceptance requirements. He concluded by saying that students from the other Arab nations represent about 90 percent of all the non-Egyptian students studying in Egypt's universities.

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MINISTERS OF STATE DISCUSS ARAB MAGHREB RELATIONS, MIDDLE EAST SITUATION

London AL-MAJALLAH in Arabic No 210, 18-24 Feb 84 p 28-29

[Interview With Maati Bouabid, chairman of Constitutional Union Party, and M'Hamed Boucetta, chairman of Istiqlal Party, by Huda al-Murr; "Sahara Problem Can Be Solved by Referendum Only"; in Rabat, date not specified]

[Text] Moroccan ministers of state Matti Bouabid (ex-prime minister and chairman of the Constitutional Union Party) and M'Hamed Boucetta (the minister of foreign affairs and chairman of the Istiqlal Party) have discussed in an exclusive interview with AL-MAJALLAH the resolutions of the fourth Islamic summit and Egypt's return to the Islamic Conference Organization. They have also discussed the forthcoming Moroccan elections, the Sahara issue and the Jordanian-Palestinian relations. Following is the interview with Maati Bouabid and M'Hamed Boucetta, beginning with the part with Bouabid, the Moroccan ex-prime minister:

[Question] Now the end to the fourth Islamic summit Egypt's return, what is your evaluation of the resolutions of this summit?

[Answer] We must assert that convocation of the summit is a gain in itself. The meeting of the Islamic world leaders and their consultation over all the issues projected in the Islamic arena cannot but produce positive results and stances, especially when we learn that the Islamic world constitutes today a center of weight in major international events. The accumulation of these events in the Islamic area, which constitutes a strategic belt and location in the world, imposes on the Islamic countries numerous responsibilities, not just at the level of ending their disputes but also at the level of contributing practically to the making of international resolutions that serve the principles of security, peace and fraternity in the world community.

[Question] What about Egypt's return to Islamic ranks?

[Answer] We are aware of the important position occupied by the Arab Republic of Egypt in the Islamic world as a human, political and military power. Therefore, it had to return. This return has been the result of a large-scale political and legal discussion among the Islamic world

leaders. It is time for us to realize that any estrangement between the parties of the Islamic world, regardless of its justifications, is beneficial to enemies only. Moreover, there is an obvious difference between the return of Islamic Egypt and the position of the Arab countries toward it. These countries are bound by resolutions approved with Arab consensus. As for the Islamic level, there are no resolutions to this effect. Without dwelling on the legal details of this situation, I can ascertain that the Arabs need Egypt as much as Egypt needs the Arab countries. But we must make a distinction between this need and reality.

[Question] What are the ramifications of Egypt's return at the Arab level?

[Answer] Egypt's return to Arab ranks will change many of the given facts of the Middle East conflict because Egypt's presence on the Arab side will push the development of events toward new horizons which will be positive, in any case. You perhaps recall how the Israeli reaction to Egypt's return and to its restoration to its place in the fold of the Islamic Conference Organization has been characterized by frustration. What do you think the reaction would be when Egypt rids itself of the legacy that curtails its movements and prevents it from rejoining the Arab group?

Best Solutions

[Question] But Egypt is tied to a certain view of the peace process.

[Answer] This is true. There are numerous visions projected in the Arab world by the U.S. administration and by the world community. But the best solutions are those solutions that guarantee the Palestinian people's legitimate rights, that bring about an Israeli withdrawal from all the occupied Arab territories and that liberate venerable Jerusalem.

[Question] The "fraternity and detente" treaty concluded among a number of the Arab Maghreb countries has evoked varying reactions. How do you view this treaty?

[Answer] We are advocates of creating the greater Arab Maghreb. This issue has continued to be one of our focal points of interest since the battle for independence when we saw how perfect and positive was the coordination between the national liberation movements of the Arab Maghreb countries. Through that coordination, this Arab group was able to confront foreign colonialism. With the start of the independence battle, a spirit of fraternity and of coexistence prevailed for a considerable time during which we were able to translate our common tendencies into important accomplishments at several levels. If the recent years have witnessed a negative turn in the course of these tendencies, then Morocco has not at all been responsible for this faltering. We are still optimistic regarding these tendencies. But out of concern for our territorial unity and for the sovereignty and unity of all the area's states, we cannot accept any step at the expense of our legitimate rights.

[Question] Last year's summit meeting between the Moroccan monarch and the Algerian president was an opportunity for optimism and hope regarding the peace efforts in the area. Where have these efforts reached?

[Answer] The optimism is still present. We consider any meeting between two Arab leaders something positive. The reason is that we believe that such a meeting provides an opportunity for dialogue. The more the political conduct of the relations between states is founded on dialogue, the more positive are the results because dialogue is the starting point for understanding. As for establishing peace in northwest Africa, Morocco has spared no effort toward this end. As of the first moment, we made sure to put the dossier of the conflict before the African countries in order to spare the Arab countries any disagreement of opinion. Consequently, King Hassan II presented his peace initiative to the Nairobi summit so that a referendum may be conducted in the Sahara territories to prevent the fragmentation of the OAU [Organization of African Unity].

Sahara Referendum

[Question] Where have these efforts reached?

[Answer] In its latest meeting in Addis Ababa, the OAU approved the holding of the referendum on schedule (the end of 1983). The date passed and the organization did not initiate any steps to begin the referendum process even though we in Morocco were and are still prepared to facilitate the task of the African committees entrusted with overseeing the referendum. However, the circles that do not desire peace have worked to impede and obstruct the referendum process. These circles have fabricated numerous justifications to disable the organization. Consequently, we are not responsible for the dilemma into which the OAU has fallen. However, this does not preclude the fact that we are advocates of peace and unity.

[Question] You are participating in the current cabinet as minister of state. What are the tasks of the ministers of state in this cabinet?

[Answer] All the political parties with a popular support are participating in the current cabinet on the basis of their participation in the elections of the municipal and rural councils last year. This is about the first time in recent years in which the cabinet is distinguished by this characteristic. King Hassan II has made it clear that the task of the current cabinet is confined to two things: Devoting attention to the referendum in the Sahara and creating the proper climate for holding the legislative elections. The task of the ministers of state representing these various political parties is defined through this conceptualization. However, the issue does not end at overseeing the impartiality of the elections but goes beyond to participation in discussing and drafting the fiscal law for the new year and to shouldering full responsibility in the executive apparatus, considering that all the ministers of state take part in running public affairs.

[Question] In your capacity as chairman of the Constitutional Union Party, what are your expectations regarding the outcome of the forthcoming legislative elections?

[Answer] It is premature to discuss this issue. However, we believe that the objective circumstances that have dictated our presence as a trend reflecting the aspirations of the new generation in the Moroccan arena are the circumstances that will contribute to determining the country's political map. I believe that what we have achieved in the municipal and rural council elections is an objective indicator of the course of the democratic option in which we believe as a doctrine and [code of] conduct. This makes us resort ultimately to the popular choice as a judge.

With Boucetta

As for M'Hamed Boucetta, the minister of state and ex-minister of foreign affairs, he has said regarding his task: "Eight ministers of state have been appointed to create a political balance in the country and to assist King Hassan II with three fundamental issues: First, devoting attention to entrenching our territorial unity and confronting the war launched against us in the Moroccan Sahara; second, overseeing the soundness of the coming elections which will take place very shortly and about which a lot has been said, especially in the wake of the elections which were held on 10 June 1983; third, dealing with the economic crisis in which Morocco is living. A committee has been formed to examine the new budget.

[Question] Let us return to the elections which took place on 10 June 1983. What has been said about them?

[Answer] The Istiqlal Party declared at the time its position vis-a-vis those elections in which there was interference. The Istiqlal Party will not condone such interference.

[Question] To what did that interference lead?

[Answer] Some administrative sectors still have the mentality of wanting to interfere in issues that don't concern them and which are not within their jurisdiction. Such interference changed the course [outcome] of the latest elections. We issued a communique at the time and we hope that such intervention will not recur.

[Question] Will Morocco's support for Egypt's return to the Islamic Conference Organization have an impact on your relations with the countries that have opposed this return?

[Answer] We cannot, of course, separate this from that. However, everybody was supposed to express his opinion in the latest Islamic conference. As for Morocco, it is always prepared to cooperate with the Arab Maghreb and Arab East. As King Hassan II said in his press conference; "We are

always optimistic," and there is nothing in the horizon to obstruct the progress of the good relations between Morocco and its neighbors. For example, our relations with Libya are good and our ties with it excellent. There are joint committees between our two countries studying the possibility of boosting trade, economic and industrial exchange between the two countries. On the other hand, we will not deny that relations go through periods of tepidity at times. But this does not mean estrangement or retreat.

[Question] What about the quality of the relations between Morocco and Algeria?

[Answer] There are no clouds in the air blocking the progress of the relations between us and Algeria, except for the issue of the Sahara which is still pending and for which we have not yet reached a decisive solution despite the resolutions taken, but continuing to be unimplemented, by the African summit. This failure to implement is not because Morocco has failed in any regard. On the contrary, we have offered all facilities and flexibility to enable the assigned committee to complete its work. But Algeria still maintains its position vis-a-vis the Moroccan Sahara-- a position which is not in our interest. Otherwise, our relations in other spheres are moving normally or are perhaps somewhat tepid. But this does not mean estrangement.

[Question] So why did President Chadli Bendjedid not come to the latest Islamic summit?

[Answer] The elections held recently in Algeria are what prevented the Algerian president from attending the conference. Besides, the Algerian president does not want to come to Morocco before final agreement is reached on the Sahara.

Sahara Issue

[Question] The referendum date has passed. Will the Sahara issue be presented anew to the next OAU summit?

[Answer] There is no doubt about this. There is a committee which is currently studying and following up on the course of the events to submit its detailed report to the next summit so as to find a solution to the issue of the referendum which was discussed and on which a resolution was issued by the previous summit. However, this resolution has not been implemented.

[Question] Within the framework of settling the Sahara issue, is there a possibility of negotiation with the Sahara organizations opposed to Morocco?

[Answer] The opponents want the negotiations held on the condition that they be recognized as an existing state. This is something that will not happen. We have displayed our goodwill by launching the referendum

initiative out of belief in democracy. We will deal with these Saharans on the basis of this referendum. Morocco is always prepared to accept the outcome of this referendum whose conditions have been set by the OAU.

[Question] Your relations with Spain are good. Is there a Moroccan-Spanish dialogue over Ceuta and Melilla to eliminate the Spanish presence in these two cities?

[Answer] The entire world considers Ceuta and Melilla a part of Morocco. All we hope for is that the Spanish withdrawal from these two cities will take place in an atmosphere of friendship and emity instead of an atmosphere of confrontation.

[Question] What is your opinion of the Palestinian-Jordanian rapprochement and of the dialogue between the two sides?

[Answer] I consider this step one of the fundamental steps that could lead to finding a solution to the big problem, namely the Middle East crisis. The readiness displayed by both the PLO and Jordan is encouraging and will inevitably lead to solving numerous problems in the area.

Lebanese War

[Question] What is the impact of continuation of the Lebanese war on the Arab area and how much of a danger does this continuation represent?

[Answer] We hope that Lebanon will regain its sovereignty and its territorial integrity. For this to be achieved, agreement must be reached among all the Lebanese parties so that they may be able to confront the urgent problems and to eliminate the Israeli occupation in particular and all the forces present on Lebanon's soil in general. From the course of the events, we find that Lebanon has become closely tied with the Middle East and Palestine problem as a whole. It is my belief that if Lebanon is partitioned, then the Arab area will move toward a period of unprecedented disunity and fragmentation.

[Question] Is there danger of a confrontation between the Arab countries and Israel?

[Answer] The confrontation exists at present. However, I cannot give you an accurate opinion on this issue. But the war Iraq is waging with Iran may lead to a general explosion. All we hope for is that matters will move in the direction of peace, especially in the wake of the steps taken by the latest Islamic conference which, in my opinion, are steps that help to prevent an explosion in the area because should such an explosion occur, it will destroy the Middle East area in its entirety.

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MZALI ATTRIBUTES RIOTS TO LACK OF UNDERSTANDING, ANTI-GOVERNMENT ELEMENTS

Riyadh AL-YAMAMAH in Arabic No 788, 1 Feb 84 pp 30-32

[Interview with Prime Minister Mohamed Mzali by Mustafa al-Khimari; "Mzali to AL-YAMAMAH: I Hope That Arab Leaders Will Overcome Contradictions Before Riyadh Summit"]

[Text] Tunisian Prime Minister Mohamed Mzali faced difficult circumstances at the beginning of this month, January, as a result of the so-called "Bread revolution." Some circles within and outside the regime have tried to exploit the crisis to force President Bourguiba to abandon his prime minister. But the Tunisian president has again stood by Mzali and has added to his tasks the Ministry of Interior. AL-YAMAMAH has interviewed Mohamed Mzali to learn more about the recent riots and about Tunisia's future.

[Question] Nearly a month has passed since the painful riots witnessed by Tunisia--riots which have stunned all those who respect and appreciate the efforts you are exerting to overcome backwardness. How do you interpret the negative transformation that has taken Tunisia by surprise and that has almost destroyed all that Tunisia has built since its independence?

[Answer] The surprise has its causes which include, first, the fact that we did not estimate properly the phenomenon of unemployment and of the destitution of some poor classes. Some of these social groups did not fully comprehend the meaning of what we called the "accompanying measures," namely the financial grants that were scheduled to be advanced to various groups of people through the social security committees--groups such as the destitute, the (agricultural) workers, day laborers and even low-salaried employees. We had talked about all this but we noticed after the riots that the contacts and meetings, and even communiques, did not have full impact or that some people did not comprehend them adequately.

Second, there are elements that resist the regime. I make a distinction between resistance and opposition. Opposition is a political movement offering an alternative or alternatives and it contributes to the country's procession through unbiased and constructive criticism whereas resistance seeks to change the regime in its entirety, with its rulers and its opposition. There is a radical right that embraces Khomeyni's path and a radical

left that calls for changing the economic, social and cultural options in a fundamental manner. These and others--mostly unemployed people who used to work in Libya or Europe and who have now returned to Tunisia--exploited the opportunity to stage the riots and fight the government.

The third point is that in the capital particularly, especially on 3 January 1984, the security forces were not able to control the situation and were not able to stop in particular bandits and devious elements from tampering with the people's lives and gains. Had the security forces been able to control the situation in the capital, Tunis, on that day, no riots would have happened.

These are the causes that caught us by surprise. But the violence of the riots themselves has made more evident than ever before the serious chronic problems experienced by the country. We in the government, the Political Bureau, the press--and even the opposition and the independents--have tackled and continue to tackle these problems with the aim of finding the proper solutions for them. These problems include the problem of unemployment or of how to achieve full employment for all those seeking work. The solution include settling the citizens in their provinces in order to put an end to the problem of emigration. The problems include also the problem of students expelled from educational institutes, be they at the elementary, secondary or higher education levels. A further problem is the problem of the unacceptable disparity between incomes--a disparity which generates among the poor the feeling of destitution, pain and hatred. All these are problems that have caught us by surprise and that have made us realize how necessary it is to hold quickly a general discussion and a national dialogue to uproot the causes of this hatred, pain and violence.

[Question] The recent riots have pushed to the surface the so-called struggle-for-succession. Mr Prime Minister, how, in your opinion, can the country be spared such struggles in the future and how can Tunisia's security and stability be made safe from such struggles?

[Answer] Generally, struggle for power is a phenomenon present in all countries and at all times. Whoever reads history knows how intense is phenomenon because it is the phenomenon of ambition, at times an insane ambition to attain power or to gain control, regardless of the means.

Since President Got Sick

Since President Habib Bourguiba suffered a coronary thrombosis in 1967, big ambitions and numerous calculations and maneuvers have emerged in Tunisia. It is my opinion that the president has settled this issue and that the country's constitution is clear. What remains is for all to observe civil ethics and national morals so that the race for power may be within the framework of ethics and of the constitution and of innocent competition, not the framework of maneuvers. I personally believe that the issue is an issue of ethics, not of law, primarily.

[Question] In the economic sphere, your method of managing the country's affairs has been characterized by developing the resources to improve the living standard of the poor. How can we analyze the contradiction in the violent reaction displayed by the poor in response to economic decisions taken in their favor?

[Answer] This is the major contradiction and this is the tragedy. The government, which I have the honor of having been managing under the patronage of President Bourguiba for nearly 4 years, is still exerting efforts to serve the masses, to enhance the people's living standard and to establish a balance. This government has twice doubled the legal minimum wage within 3 years. Wheat has also been twice priced at double its production cost to encourage Tunisian producers and to stop encouraging foreign producers. This is the government that has encouraged agriculture and that has enabled all the social classes to come under the important canopy of social insurance. This is the government that has embarked on important economic and moral measures embodied in lifting the subsidy for wheat and its derivatives. Some have exploited the opportunity to instigate riots against these measures and against this government in an issue that serves the people. This is the surprise and the tragedy which indicate that third world countries will not be able to overcome backwardness easily because the governments of these countries either must live on offhandedness and circumstantial and partial decisions--and these cannot be successful but rather produce, as we can see, grave consequences in all countries--or prescribe, out of the people's trust in them and out of their goodwill, successful cures for which they do not find the time or the understanding that enable these governments to implement policies beneficial to the overwhelming majority of the people. The examples of this situation are numerous.

I Will Continue to Serve Tunisia

In my capacity as one of the people and as a person who loves the people, I will continue to serve this people with all my power, making the proposals I believe to be successful, regardless of what hardship this will cost me and even if some people criticize me unfairly. The important thing is in the results.

[Question] What are the steps that will be taken to make up for the deficit created in the budget as a result of the decision to back down on the decree eliminating the subsidy for grains and their derivatives?

[Answer] The government is in the process of examining all the resources, be they tax or financial revenues or measures to cut down on the development programs or extend the duration of their implementation. The government is examining all these proposals and will present them to his excellency the president at the right time, keeping in mind that every measure has its pros and cons. God willing, we will succeed in reaching measures whose cons are a lot less than their pros.

[Question] There has been talk about the possibility of the intervention of foreign circles to escalate the tension in Tunisia so as to punish it for its Arab and Islamic tendencies and for its defense of the independence of Palestinian decision-making. Have these analyses been proven true?

[Answer] Many patriotic Tunisians feel that the information media and some foreign circles have exaggerated in depicting the riots and have hastened to issue final, and unjustifiable, sentences against Tunisia. There is no doubt that some Zionist circles, circles influenced by Zionism and circles still influenced by colonialism do not forgive us our genuine nationalist direction and our defending our cultural mainstays and our character. This is indubitable. Were we more bending and if our cultural position had no backbone, it could be said that some of them [hostile circles] would be more understanding.

[Question] Mr Prime Minister, do you think that the Arab world understands the efforts being exerted by your government to unite Tunisia with its Arab and Islamic environment? To phrase it more precisely, have Arab investments in Tunisia developed in the manner you desire?

[Answer] The Arab investments have developed tangibly and will develop even further, God willing. I have contacted some brothers in the Gulf and they have encouraged me and expressed to me their resolution to invest even more in the country, as they have expressed to me their solidarity with Tunisia in its tribulation. The coming days and weeks will demonstrate a new rush for Arab investment in Tunisia. However, I have noticed that some Arab brothers and rulers are preoccupied with Arab problems and concerns. The Lebanon issue, the Beirut tragedy, the Palestinian issue, the Iraq-Iran war and the conflicts existing in the [Arab] arena may have compelled some brothers not to exert as much effort as they had exerted before in support of Tunisia out of the belief that Tunisia's security and stability constitute security and stability for the Gulf and for the Arab world. I personally ask the Arab world to devote more support and attention to Tunisia.

Satisfactory Cooperation Between Tunisia, Kingdom of Saudi Arabia

[Question] Last year witnessed important accomplishments and major projects between Tunisia and the Kingdom of Saudi Arabia. In light of this fact, what is your evaluation of Tunisian-Saudi cooperation and do you plan to visit Saudi Arabia, as has been reported recently?

[Answer] The cooperation between Tunisia and the Kingdom of Saudi Arabia is good and satisfactory and has made considerable progress in the past 2 to 3 years. I personally work and exert efforts to further develop this cooperation because it is boundless. As for my visiting the Kingdom of Saudi Arabia, this is likely at all times. I believe that whenever the opportunity presents itself, I visit the Kingdom and other Arab countries considering that I always feel that I am in my country [when visiting these countries].

[Question] Tunisia did not recently approve Egypt's return to the Islamic Conference Organization. What are the motives behind this position?

[Answer] We did not take a position against Egypt. We are serious because there are unanimous resolutions which we have adopted together. We want Egypt's return to come on a sound basis so that we may understand each other. In this regard, we harbor all appreciation and love for the Egyptian people and I believe that the Egyptian people love the Tunisian people. At the human level, our relations are good. But the issue is one of principles.

[Question] Preparations are underway for the Riyadh summit. What is Tunisia's analysis of the current Arab situation?

[Answer] Our analysis is that the Arab position is unenviable. It is my belief that this position has never been worse than it is at present. The causes are well known. I don't know if the Arab leaders will be able to overcome from now until the middle of next March all these contradictions and these problems. The key to these problems and contradictions is not in the hands of the Arab leaders but rather in the hands of foreign forces, be they Zionist forces, some major powers or some other non-Arab circles. However, I believe that with the wisdom of the Saudi leaders and of His Majesty King Fahd, we will reduce, not to say overcome, the intensity of these problems and will proceed toward common grounds that enable us to hold dialogue and to advance, God willing.

Arab Maghreb

[Question] Last year was distinguished by conclusion of the Tunisian-Algerian treaty which was later joined by Mauritania. What are the conditions set for accepting the Libyan request to join this treaty?

[Answer] The conditions are set in the treaty itself, namely that there be no problems between any country joining the treaty and other countries already included, especially border problems. We seek to unite the ranks and I personally wish that Libya and Morocco would join the treaty so that it may be a starting point for unity among the Arab Maghreb countries.

[Question] His Excellency President Habib Bourguiba attended the latest Islamic summit personally and met with King Hassan II and then with President Bendjedid in Algiers. Are there plans to revive the Tunisian mediation between Algeria and Morocco over the Sahara issue and do you think that this year will witness the anticipated Maghreb summit?

[Answer] I will answer this question by saying only that his excellency the president had planned to congratulate His Excellency President Chadli Bendjedid personally on his reelection as president of the sisterly Republic of Algeria. The Islamic summit was the opportune time for President Bourguiba to stop over in Algeria to offer his congratulations. The discussion dealt with the bilateral relations only. However, new circumstances or developments may crop up to facilitate such Maghreb meetings for which I call and exert efforts.

PRIME MINISTER DISCUSSES CAUSES, RAMIFICATIONS OF RECENT RIOTS

London AL-TADAMUN in Arabic No 43, 4 Feb 84 pp 8-11

[Interview With Prime Minister Mohamed Mzali by Fu'ad Matar; "Mohamed Mzali to AL-TADAMUN: Security Is Slogan of Coming Phase; What Has Happened in Lebanon Will Not Be Repeated in Arab Maghreb"]

[Text] There are No Trials and Those Who Fell During Riots Are Victims, Not Martyrs

Before Bread and Freedom, People Must Be Reassured of Their Lives, Their Livelihood and Their Kinsmen

Two Groups Exploited Riots: Political Group With Various Direction and Group of Bandits

All Arab Maghreb Countries Have Expressed Their Sympathy But Algeria Has Expressed Its Sympathy More Positively; What Shawqi Said of Cleopatra Applies Correctly to Some Political Forces, Namely "Their Brains Are in Their Ears

In the center of the Tunisian capital, there is a street with a special flavor and special shape. As you cannot mention Rome without coupling its name with the Via Veneto, one of its most important streets, and as you cannot mention Paris without coupling its name with the Champs Elysees, it is difficult for one not to couple the mention of Tunis with the name of Habib Bourguiba Street.

The most important commercial streets of the Tunisian capital, including Paris Street, Carthage Street and Jamal 'Abd-al-Nasir Street, branch from this street.

The street begins with a square where a statute of President Habib Bourguiba riding a genuine Arab steed is erected and ends with the start of France Street which ends with Bab al-Bahr [sea gate]. From this gate, you enter the old markets, passing by the British Embassy which is still the same as it was before the French mandate in 1881.

Through the old markets we reach al-Qissah Street, which leads to Place du Premier Ministere, and the Zitouna Moaque Street that leads to the Zitouna Mosque which was tantamount to Tunisia's university until 1960 and has since become Tunisia's al-Azhar or venerable al-Najaf.

The distinguishing characteristic of Habib Bourguiba Street, to which flow thousands of people from the streets we have mentioned, is that its walkways are in its middle, with a narrow street to its right and a similar one to its left and with the center consisting of an extremely beautiful street that looks like a long square surrounded by trees. Under these trees, you find flower vendors and a number of booths where you find magazines difficult to find in the kiosks of any Arab capital, except for Beirut in its days of glory.

In this long square, everybody walks with utter reassurance. In the last 2 months of the spring, jasmine vendors flow into the streets with their bunches that are combed and braided the way a mother combs and braids her only daughter's hair. Jasmine fragrance becomes so pervasive that one imagines himself living in a dream.

In the final hours of the day, the trees on both sides of the street get filled with birds which land on the branches and then take off and land again, singing themselves to sleep. By the dozens, the hundreds and, at times, even by the thousands come these birds which they call the olive birds. They call them so because they resemble a spotted olive fruit.

Moreover, from the late hours of the day until the late hours of the night, hundreds of youths stroll along this beautiful street or sit at the cafes on both sides of the street, thus giving the impression that there is unequalled unemployment in the Arab Maghreb countries or that these countries' youth are inclined toward loafing. What attracts further attention is that the streets along both sidewalks of Habib Bourguiba Street are always crowded, even during the official workhours. This means that there are thousands of Tunisian youth (who are employed but idle). This is a phenomenon or "employment" of our Tunisian brothers' innovation.

The purpose of this introduction is to say that when unemployment is widespread, it becomes natural that riots like those which occurred nearly 2 months ago and which almost turned "green Tunisia" into a "red Tunisia" will occur.

This interview with Tunisian Prime Minister Mohamed Mzali may perhaps answer some of the questions concerning the developments which sought to shake Tunisia's stability and concerning what Tunisia's and the Tunisians' situation and Tunisia's relations with the Arab Maghreb countries will be in the coming phase.

It is to be pointed out that we have recorded AL-TADAMUN's Word." It is also to be pointed out that beginning with this edition, AL-TADAMUN will publish excerpts from a book on Mzali's experience in government and in earlier political and partisan action. The book will be published in French

in 2 weeks and in Arabic and other languages afterwards. The first part of this book is published on page 35 [of this edition of AL-TADAMUN].

[Question] It is noticed that the importance of Tunisia and of the Maghreb countries generally has escalated as a result of the troubles experienced by the Arab East countries. Does this mean that in the wake of the bloody riots witnessed by Tunisia this importance will not be as strong and that civil wars of the type undergone by Lebanon can be repeated in your area?

[Answer] Personally, it is difficult for me to speculate on such event But I feel, by intuition and by reasoning, that my answer will be "no" for numerous reasons. There may be fingers somewhere, in some operations rooms or in some other place, seeking to spread chaos and to topple the regimes existing in the Maghreb countries, especially the moderate, serious and popular regimes. This comes within the framework of a strategy that seeks to shake stability, change the conditions and embroil the Arab world in a maelstrom of violence and instability. I do not know who benefits and which are the circles that will benefit from such troubles. There is the radical Khomeyni-oriented right that calls for Islamic republics--and we know what the meaning and content of this slogan is--and there are those who call for leftist or radical leftist regimes that will make the Arab Maghreb and the Arab world turn in the orbit of the socialist world.

The fact is that while waiting for these expectations or schemes--which are truly no more than confused dreams--to materialize, the only beneficiary at present is the Zionist state which is still killing hope in the Arab nation and working to paralyze this nation's movement and to contain its youth and preoccupy it with other problems. Another beneficiary is the front of the rich, be they in the east or the west, who seek to keep the third world in a state of backwardness, poverty and deprivation so that this world may continue to consist of consumers who will always depend on others.

This might be one view of these demonic hands and strategy. However, I do not believe that what has happened in Lebanon can be repeated in the Maghreb area or that what has afflicted the Arab East can afflict the Arab Maghreb, first, because there is a tumor in the heart of the Arab East, namely Israel, and because of the occupation of territories and displacement of thousands of Palestinian refugees that Israel's presence has led to. There is, moreover, Lebanon which, regrettably, has become the hotbed for these dark and destructive forces because it is built on a sectarian basis. Lebanon's foes have succeeded in depriving it of the sectarian or religious bond. This is the gravest danger encountered by Lebanon in the past decade. Add to this the religious problems in other Arab countries. Meanwhile, there is harmony in the Arab Maghreb where we find a single religion, a single sect and a single language and elements of stability which, I believe, are stronger than the elements of instability, disenfranchisement and aimlessness. Besides, the elements of rapprochement and cooperation among the Arab Maghreb countries are important elements with historical roots and with a political legitimacy that has emanated from the common struggle.

The cooperation we notice at present between Tunisia and the Algeria and Tunisia and Morocco, and between Tunisia and the Jamahiriyah by a different degree, is proof that there are well-meaning forces wagering on cooperation and on stability. In reply to your question, what is important is that we know whether the leaderships will remain strong, deriving their legitimacy from the people and keeping in touch with the concerns of their peoples, or whether the devil of political ambition and of greed for power will overwhelm the civilian spirit and the national feeling. This is the question. In other words, will the Arab Maghreb politicians retain their ethics and put the interest of their peoples above their personal ambitions or not? I believe that all the signs, despite some setbacks, indicate that the Arab Maghreb, for these reasons and others, will not know the civil wars or the tragic manifestations experienced at present by the Arab East, especially--and unfortunately--by Lebanon in particular.

Expression of Intentions

[Question] Within the same framework and in light of what has happened, don't you think that the Arab Maghreb countries need to express their intentions more precisely and do you think that what has happened provides a greater incentive for unity of the Arab Maghreb?

[Answer] Naturally, in the face of these dangers and after examining the causes that have led to the decline and deterioration of the situation in the Arab East, the Arab Maghreb political leaderships must learn their lesson, must unite and must speak collectively. This is one more element added to the elements that must bring about rapprochement and unity.

[Question] Can you tell us which of the Arab Maghreb countries has been most influenced by what has happened in Tunisia and has expressed its sympathy to you?

[Answer] Algeria has been affected and has expressed its sympathy positively, and so has Morocco. All the Arab Maghreb countries have expressed their sympathy but Algeria has expressed it more positively by virtue of the common borders and of other factors.

Pluralism and Coexistence With Army

[Question] It has become obvious that pluralism does not prevent the occurrence of an explosion like the explosion that has taken place. Is this likely to tie the stability formula to the concept of pluralism and of military protection at the same time, and, in your assessment, can the two coexist for a long time?

[Answer] I believe that the equation is different from what you are portraying. Let us first take pluralism which has become a reality now. The events [riots] have proven that this pluralism [of parties] has not embraced all Tunisians and has not included within its framework all the citizens, especially the youthful segments of ages 18-25 years who have been rejected by schools or have been embraced by unemployment. The parties,

even the Federation of Workers, have not been able to include these age groups because they are unemployed. Therefore, we cannot say that pluralism alone is enough for a guarantee of stability. There may be stability without pluralism and pluralism may not be enough to guarantee stability. But in principle, pluralism is one of the positive elements of stability. This is on the one hand. On the other hand and insofar as the army is concerned, we have been forced to resort to the army because the security forces, despite their ability, did not perform their duty when they should have performed this duty. The reasons for their failure to perform their duty are numerous. Had the security forces performed their duty, they would have obstructed the eruption of the events or, at least, would have prevented their spread. This is indubitable. I believe that use of the army could have been avoided had the high-ranking officials--not the security officials per se because the security officials maintain a good standard and their conduct is satisfactory--performed their duty. I mean by such officials a number of leaderships that failed to carry out their duty. This is the tragedy and this is what I have expressed repeatedly since 3 January 1984 especially. Therefore, I put the equation in a different form, namely as follows: Multiplicity is necessary because it is a positive element and we, as a well organized republic, must always rely on the police forces to prevent unruly people staging demonstrations from damaging capitals and cities. As for the army, its task is to safeguard the homeland and to protect the country from any external attack.

Internal Motives and External Boosters

[Question] Do you have a final proof as to whether the riots were the result of internal motives or of external boosters?

[Answer] The increase in the price of bread was the reason. This is indubitable. We had imagined that this legitimate wrath would be temporary and that it would disappear or diminish as soon as the toiling classes and people with limited income realized the importance of what we have called "accompanying measures" embodied in providing workers, old people, (field) workers, wage-earners and poor people who get assistance from social security with monthly grants that make up for a large part in the drop in their purchasing power as a result of raising the prices of bread and of grain derivatives while maintaining the prices of other essential goods, such as water, electricity, milk, meat, fuels, sugar and tea, at the same level. This is the original strategy. Regrettably, these measures were not implemented simultaneously and were not presented in a simplified form to all people. We must remember this.

Thus, the wrath is there and we had planned to overcome this wrath in a matter of days but could not. Then two groups exploited the opportunity:

A political group divided in turn into Khomeyni-oriented or radical leftist factions, each bearing a seed of hatred for the regime. A person who has applied for a license to build a house and has encountered procrastination on the part of the administration in responding to his request exploits such an opportunity to express his anger, and so does a person who has

applied for a job and has not gotten it or a youth who has been rejected by schools. This group is composed of various types.

The other group is comprised of small numbers but is very effective. This is the group of bandits and thieves of which no country and no age is free. These are the ones who found Tunis, the capital, on Tuesday, 3 January 1984, without police to protect it and so they looted and destroyed and almost left the city in ruins, God forbid, had I not personally hastened, while in the company of the president in Ksar Helal (the city in which President Bourguiba founded the Neo-Destour Party 50 years ago, to order the army at around 1300 to proceed to the city to protect it and protect the lives and livelihood of the citizens because security had been lost.

[Question] I will try to paint a picture of what we felt from afar. It seemed to us, as individuals who keep up with what happens in Tunisia and the Arab world, that the situation was one of chaos created by one side, of wisdom and reason on the part of President Bourguiba and of dynamic approach by the government. We also noticed at the same time that the chaos was bigger than the ruling party and than its movement. We noticed, furthermore, that the events took place in rapid succession. The intervention took place rapidly, the curfew was declared rapidly and the lifting of the curfew and the return of normal life also took place rapidly. What is intended by these words are two things: Are there within the ruling party certain flaws to make one assume that a vacuum has developed and could have led to serious consequences and, secondly, does the rapid succession of events and the rapid tackling of those events mean that there is as rapid a solution expected to be offered by your government in the future?

[Answer] As you know, the president intervened on Friday, i.e. after security had been established. However, the president refused to do anything but to insure security so that all may realize that the state is strong and that the regime is confident of itself. When security was established and calm prevailed, the president rescinded the increase in the prices of bread and confectionaries and instructed the government to present proposals on how to make up for the deficit emanating from [not] omitting the subsidy for bread and grain derivatives--a deficit amounting to 100 million dinars (\$74.7 million).

On the other hand, the party did not, as you have actually pointed out, rise to the level of the events and many of its leaders, especially in the capital, did not rise to the level of responsibility. It is inevitable to note that our theory is that the party men should not intervene directly because the task is entrusted to the security men. But there were possibilities to fill the arena and for the party men to express their attachment to government policy, at least by demonstrating and applauding. What happened is that a minority instigated by those to whom Shawqi's words about Cleopatra, namely "their minds are in their ears," apply--this minority shouted slogans against the prime minister. This proves that the target was the prime minister, not bread.

However, the government did not lose control of matters. Rather, it was in constant control and it adopted the necessary measures with utter speed and

composure, thus proving that it is capable, at present and in the future, to rise to the level of events. You will see that I will present to the president within 2 weeks, and then to the parliament, financial proposals that reconcile making up the deficit with keeping the price index at the lowest level so that there may be no inflation. I will also submit measures that will reflect more strongly than before one of the mainstays of our policy, namely the endeavor to achieve equality and social justice, to make the capable pay and to improve the conditions and sources of livelihood of the poor.

[Question] (Is this kind of riots) occurring in Tunisia for the first time?

[Answer] This kind, yes. But an upheaval did take place on 25-26 January 1978. Both sides had been prepared for that confrontation: the government on one side and the Federation of Labor and the labor forces on the other. Herein lies the difference because in that instance each side knew what to expect and was aware of everything in advance. The workers prepared and the government prepared and the confrontation occurred, claiming victims and bringing about the upheaval.

But on 25 January 1984 [as published], matters developed spontaneously or had been prepared with surprising speed. The government was caught off guard and some gaps did appear in some of the government agencies.

Nationalization of Struggles Within Party

[Question] It is well known that struggle is legitimate in all parties of the world, even in the deep-rooted parties. But when the nation is faced with dangers or the partisan entity is confronted with some kind of a danger, such struggles are nationalized or frozen. Consequently, the scope of ambitions and aspirations is narrowed. Could such a thing happen, in your assessment, insofar as the ruling Destour Party and its leaders are concerned?

[Answer] Of course. We are now devoting all our efforts to bolstering tranquility. This is the first duty and this duty has been achieved now, at least by a large degree.

Second, we are preoccupied with drafting a new budget law. When we complete these two tasks, we will devote ourselves to discussing the measures capable of strengthening the government and the party and for developing greater harmony and efficiency.

[Question] Have you formed a fact-finding committee?

[Answer] Yes, a fact-finding committee chaired by the general president of the appeals court and comprised of four individuals has been formed.

[Question] Will there be at the end of the investigation public trials, regardless of the positions of the individuals involved?

[Answer] No, I do not think so because what is important is that his excellency the president find out the reasons that led to these riots and to this inability to deal with the developments at least in order to avoid them. But it is up to the president to decide whatever he deems fit.

[Question] Will those who have fallen or who have been killed in the riots be classified, for example, by your government as martyrs?

[Answer] No, they are victims. There were children run over by cars or hit by bullets accidentally. There were citizens who were stoned by bandits and who died after prolonged bleeding. For example, five fugitive murderers who killed peaceful citizens were arrested a few days ago. There were also some persons who died while demonstrating or attacking the security forces and the army to take away their weapons or to burn some property. The people killed, amounting to 80 in number, come from various walks of life.

Slogan of Coming Phase

[Question] What, if we may ask, is the slogan of the coming phase insofar as the government of Mohamed Mzali is concerned.

[Answer] First, to bolster reassurance in the minds of the citizens because the first duty of the government and of the state is to make the citizens feel that their lives, their livelihood and their families are safe. This comes before bread and before freedom.

Second, strengthen the government and the administration so that they may be more capable of achieving the citizens' aspirations and implementing the contents of the development plan.

Third, continuing the march toward open-door democracy and of cooperation with all the brothers to fight backwardness and poverty. Our enemy is poverty and we have no other enemy. I assure you that if we had 20 million tons of oil our economy policy would be much more successful because the issue is not one of economic and social options but one of resources.

Parliament Is Performing Its Duty

[Question] Mr Prime Minister, will you stay as minister of interior now that the curfew--which is the cautious manifestation of what has happened--has ended and will new elections be held so that an effective parliament may replace the current parliament which, we have noticed from afar, does not enjoy an effective degree of credibility among the people"

[Answer] My staying as minister of interior is up to the president. Personally, I would like to stay for a few weeks or months so that the situation may stabilize and that we may assure ourselves of the desired efficiency.

Insofar as the Chamber of Deputies is concerned, I disagree with you or with whomever makes such statements. I believe that the Chamber is respected

and is performing its duty. I do not believe that the Chamber's approval of the fiscal law and of the government's economic policy is the result of it not being representative. Rather, this approval is the result of the fact that the Chamber members are convinced that these measures are in the interest of the people. I agree with the deputies that what they voted for is the very essence of the people's interest. I also believe that if we had been able to overcome this wrath with humane and social measures, Tunisia would have provided a model for what the third world countries should do in first reducing and then eliminating the subsidies that are a bottomless well. It is an honor for the Chamber of Deputies that it approved these measures. I stress again that eliminating the subsidy, whether in 1 or in 10 years, is necessary for Tunisia to become free and independent. But to pay every citizen, be he rich or poor, who buys an 80 mil loaf a subsidy of 90 mils in order to reach the real price is tantamount to unfairness itself and is in violation of social justice.

I believe that the Chamber of Deputies is performing its duty and I greet this chamber. I know to what degree this Chamber is performing its duty because I work with it as representative of the executive authority and I know to what extent are the esteemed deputies eager, in both the committees and the public sessions, to defend the people and to subject me and the government to strict questioning and detailed debate.

As for anything else, it is psychological warfare launched by some opposition elements for political reasons, i.e. so that elections may be held and the government replaced with the logic of "move and let me take your place."

Position of Arab Investment Countries

[Question] Have the Arab investment countries expressed their sympathy for you in one way or another in the wake of these events and have they asked you at the same time for some sort of assurance regarding Tunisia's Arab investment policy?

[Answer] We have found nothing other than goodwill and positive sympathy from these countries, none of whom has asked us for new assurances. All I know is that these countries say even more. I am personally proud of the fact that I have received two telephone calls from two prominent Saudi businessmen who told me that they now have more faith in Tunisia and are prepared to invest more heavily in it. One of the two businessmen will come on Friday. I will receive him and he will announce personally his confidence in Tunisia. The other businessman will come after a time.

[Question] Is there anything to prevent knowing their names?

[Answer] The first is Shaykh Salih Kamil who is a partner with us in the Lake Tunis Shores project. He also has a big tourist project in the northern part of the country, namely in Ghar al-Milh, as well as other projects. The second is Shaykh Yusuf al-Ghurayji who has a big tourist project--still under study--in Jerba Island.

Relationship With Opposition

[Question] May we ask your excellency about your relationship with the opposition and with the two wings of the Federation of Labor?

[Answer] The federation has one wing only.

[Question] How about the wing of the seven?

[Answer] These are expelled and are no longer in the federation.

First, our relations with the opposition are good, even though we have had no contact under the current circumstances, meaning neither I nor they have initiated any contacts. However, the relationship is good, as I have already said, and based on acceptance by both sides (a gentleman's agreement). As for the Federation of Labor, our relations with it are very good. We are in constant contact with brother Habib Achour, the federation chairman.

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CSO: 4504/197

EXPORTS UP, TRADE DEFICIT DOWN

Haifa ISRAEL BUSINESS in English No 392, Mar 84 p 3

[Text] Economic circles in Israel were greatly encouraged by export statistics for the last two months. After a prolonged period of slipping totals, foreign sales once again appear to be on the increase.

Data released by the Central Bureau of Statistics show that industrial exports, other than diamonds, ships and aircraft, amounted to \$547m. in December and January, compared with \$482m. in the same period a year earlier--a gain of 13.5%. In January alone progress was even more pronounced: it amounted to 24% over the first month of 1983. Compared with the monthly average of last year's fourth quarter, the gain in January was 21%, seasonal factors discounted.

Industry was not alone in marking up export gains. Farm produce sales amounted to \$74m. in January 1984 (up 30%), and the sale of cut and polished diamonds brought in \$106m., compared with \$95m. a year ago.

These developments had an immediate and dramatic effect on this country's foreign trade balance. The deficit for January was \$190m., 41% less than it had been a year earlier. Together with the increase of exports, imports dropped by some 7.5%, with the sharpest cuts--some 35%--in the field of consumer goods. Some durables, such as passenger cars, declined by almost 60%. Imports of production inputs, on the other hand, expanded.

Although it probably is much too early to draw conclusions from these figures, most believe that somebody must be doing something right. New policies, the implementation of many of them not yet even begun, already seem to be exerting a beneficial influence. For a prolonged period Israel manufacturers were, in effect, told to take care of their foreign market problems themselves as best they could and they reacted by reducing the volume of their activity; now there is the feeling that exports matter to policy makers, and that government policy will aim at their support and expansion.

This attitude is already bearing fruit. Company executives here, who during the last two years hesitated to accept orders from abroad, are again actively striving for foreign business. There still are uncertainties,

but with understanding for their problems in government offices, exporters once again are willing to assume obligations.

Such credit, apparently extended by the business community to Finance Minister Cohen-Orgad, cannot survive for long on good intentions alone. The further growth of Israel's foreign trade and the ongoing reduction of the country's balance of payments deficit will depend on the enactment, and on the consistent implementation of the necessary policy measures.

CSO: 4400/190

TURBINE AT SOLAR POND OPERATING

Haifa INNOVATION in English No 100, Mar 84 pp 3-4

[Text] Jericho--A commercial scale electric generating plant that draws all its energy from solar radiation went on line some weeks ago near this ancient town and the shores of the Dead Sea, the lowest spot on the surface of the earth. The system, which has a capacity of 5 megawatt, is based on two separate developments: the salinity gradient solar pond developed by Solmat and the special low temperature organic Rankine cycle turbogenerators built by Ormat for almost two decades.

Ormat turbogenerator sets are known for the extremely high reliability: they can operate over extended periods with only minimal maintenance. Salinity gradient ponds have proven their ability to collect substantial quantities of thermal energy from the sun and to store it over prolonged periods of time.

These two developments have been combined to constitute an integrated ecologically innocuous renewable energy system. After several experimental models proved the feasibility of the concept, the world's first commercial scale solar pond power production facility was built almost five years ago at Ein Bokek, also in the Dead Sea area. Rated at 150 KW, this station has yielded good results in continuous operation under various production regimes (see INNOVATION 94, September 1983).

The Ein Bokek facility's 7,500 square meter (almost 2 acre) pool was the largest man made salinity gradient pond built until that time. The need to scale up from that to the 250,000 square meter pond needed for the new generating station posed something of a problem to the projects' developers. To avoid the difficulties inherent in an excessively large jump, Solmat's experts split the project into two stages: one pond with an area of about 40,000 square meters (about ten acres), and an adjacent one of 210,000 square meters (app. 52 acres). One of these ponds already is hot enough to power the turbine generator; the other one is now heating up as energy is collected from the sun and should be ready for routine power production some time next summer.

Climatic conditions in the Dead Sea area and the ponds completed until now are expected to enable this station to produce at its full capacity of 5 MW during up to 1,200 hours a year. The very short period needed to bring an Ormat turbine from stand still to its rated output makes this a good source of power during peak demand hours, enhancing the economic value of its production and helping oil and coal fired units in the Electric Corporation's system to run at their optimum throughout the year.

Under an agreement between Ormat, Solmat and Southern California Edison (see INNOVATION 99, February 1984), signed last month, the two Israel companies have undertaken to build a similar solar pond generating facility in the Mojave desert, with a total rated capacity of 48MW.

CSO: 4400/190

ISRAEL

BRIEFS

NEW POWER PLANT OPERATING--Beersheba--The world debut of a facility for converting energy directly into electricity is to take place Tuesday evening during the fourth tri-annual international conference of MHD--Flows and Turbulence Here. The system was successfully tested last week at the Ben-Gurion University of the Negev. The system is unique, according to Prof Herman Branover, because its magneto hydro-dynamic (MHD) generator works with liquid metal rather than with plasma. "Until now, there was usually a turbine converting heat to mechanical energy movement and this in turn powers a generator which results in electricity," Branover explained. "But in our MHD generator there is no intermediate stage and there is only one machine with no moving parts. "In principle, the generator is a static pipe placed between the poles of a magnet in which there is a flow of liquid metal such as mercury, which has a low melting point." The beauty of the system, Branover said, is that there is very little that can go wrong, so maintenance costs are low. It is also flexible regarding heat sources, being able to convert solar energy sources, including waste industrial heat. Branover has worked on the project for five years. [Text]
[Jerusalem THE JERUSALEM POST in English 26 Feb 84 p 3]

CSO: 4400/190

IMPROVEMENT OF PRIVATE EDUCATION UNDER WAY

Muscat TIMES OF OMAN in English 23 Feb 84 p 2

[Article by Muzaffar Mohammad]

[Text]

The Ministry of Education is taking steps to improve the standard of private education. The move is aimed at providing a strong educational base to students before they enter higher classes.

A study is under way of the conditions required by the Ministry from private educationists who wish to open schools.

This was disclosed by Mrs. Saleha Sultan, who is in charge of private education at the Directorate of General Education. She said that permission for new schools has been delayed until the Ministry announces a revised set of conditions.

She said the Ministry is also considering a proposal to introduce a uniform syllabus in all private kindergarten schools in the country. The step, she added, is being taken following complaints that the management of such school were not keeping up a reasonable standard of education.

There are about 40 private schools in the country compared with 499 schools and 19 institutes run by the Ministry of Education and Youth Affairs.

Mrs. Saleha Sultan said the Ministry is also considering providing services of Arabic teachers to foreign community schools without charge. The move which is not yet completed is aimed at promoting the Arabic language among foreign students in Oman.

This free facility of Arabic teachers was made available to foreign schools by the Ministry several years ago but was later withdrawn due to administrative problems.

All private schools in the Sultanate are required to use Arabic as medium of instruction for their students. The schools which are mainly up to the sixth standard also take on the syllabus prescribed by the Ministry of Education and Youth Affairs.

The Department of Private Education granted permission to four new schools during last year. The permits were given for schools in Ruwi, Wadi Hattat and Al Ghubra.

Most of the applications now pending with the Ministry come from Interior towns. No decision will be taken on these until the Ministry announces revised conditions which might take a couple of months.

OIL FIND PROMISING

Dubayy KHALEEJ TIMES in English 17 Jan 84 p 1

[Article by P.S. Ramanathan]

[Text]

MUSCAT—There has been a promising find of hydrocarbons in the Mazoon zone of Oman where Japan Petroleum Exploration Company (Japex) has been drilling since August 26.

The sample from the exploration and appraisal well, Mazoon-1, is now being assessed.

The well, the first to be dug by Japex in its 3,713-sq km concession granted to it in July 1981, has reached a depth of 4,500 metres, 10 metres short of the maximum drilling depth possible at the site.

The Japex concession, some 270 km to the west of Muscat, is equidistant from Yibal and Lekhwair centres in the PDO concession that occupies a sprawling 129,500 sq km to the south and west of it. To the north of the Mazoon zone is the concession of Gulf Oman and to the east Amoco, of 49,000 and 48,000 sq km, respectively.

In the Gulf Oman concession,

where light-grade crude was struck on September 19 at Safa-2 well, another well is being drilled, even as the viability of commercial extraction is being studied. Meanwhile, the management of the concession has passed to Occidental, as per an arrangement between the members of the consortium who make up Gulf Oman.

The Minister for Petroleum and Minerals, Mr Said Ahmed Said Al-Shanfari, and high officials of the ministry, had gone on a tour of various exploration regions last week.

There are six foreign companies drilling for crude in Oman—Amoco (onshore and offshore), Japan Petroleum Development Co (JPD), Japex, Gulf Oman, BP and Elf Aquitaine (onshore and offshore).

The amounts invested by them during 1982 were, respectively (in million dollars): Amoco \$12 million onshore, \$16.5 million offshore; JPD \$9.1 million, Japex \$13.9 million, Gulf Oman \$15.5 million, BP \$7 million, Elf Saiwan \$9.3 million, Elf Butabul \$35.2 million, Elf offshore Musandam-Hormuz \$41.2 million.

SOPHISTICATED DRY PROCESS CEMENT PLANT BOOMING

Muscat OMAN DAILY OBSERVER in English 26 Feb 84 p 7

[Text]

THE Oman Cement Company has just begun production at their massive dry process cement plant in Rusail, marking a milestone on the road to the country's progress and self reliance.

Totally owned by the Government, the OCC has a production capacity of 624,000 tonnes of high quality ordinary Portland cement and sulphate resistant cement to meet the increasing demand generated by the burgeoning construction activity in the Arabian peninsula, according to the Deputy Director General, Mohamed El Bahnassawi.

The chairman of the prestigious project is Ali Dawood, and the vice-chairman is Suleiman Barakat al Lami.

"Since the beginning of production, we have been receiving a barrage of orders. It is a shot in the arm to our venture," said Mr Bahnassawi.

He added: "The price is fixed reasonably, and bagged cement and bulk cement is sold at OR19.000 and OR18.000 per tonne, respectively. "The response has been almost overwhelming".

Another feature which makes the project economically viable is the availability of abundant raw materials which can feed the plant for up to century.

The basic raw materials, — iron ore, marly and high grade limestones are locally quarried, and gypsum, which is used for coagulation can be quarried in Salalah.

At present, gypsum and bauxite, — another essential raw material — is being imported.

The OR60 million plant with a paid up capital of OR35 million which can boast of advanced equipment including a precalciner pre-heater, was designed and built under a turn key contract between the OCC and Krupp Polysius AG of West Germany.

Set up on one-kilometre area the plant which is said to be the most sophisticated cement factory in the Gulf, and rated among the best in world, has two crushing units, a one-pass primary crusher with a capacity of 650 tonnes per hour used for limestones and a two stage crusher for additives.

The crushed limestones are stacked in four stockpiles of 15,000 tonnes each, and the stackers blend the limestones

from these piles and ferry by conveyor belts to mills with a rated capacity of 90 tonnes per hour.

The additives, mainly iron ore and quartzophyllites, are transported to a storage mill, and then to a reclaimer for dedusting before feeding into a mill which is operated by closed circuit system.

The crushed raw material is stored in two homogenizing silos with a capacity of 7,000 tonnes in two section for blending and storage.

It is fed into a rotary kiln equipped with a four stage suspension free heater with recalcinator which has a 2,000 tonnes per day capacity.

The material is further processed in clinker coolers, and is stored in two clinker silos, each with a capacity of 30,000 tonnes.

Later, clinkers are extracted and fed into a grinding mill which produces the final product at the rate of 60 tonnes per hour.

The plant also has six storage silos with a capacity of 4,000 tonnes each, and cement is sent to the packaging department

operated by 3 roto-packer with a capacity of 2,000 bags of 50 kg each, every hour.

The impeccably maintained plant has a computerised control room with closed circuit TVs, and a quality control department which conducts tests at regular intervals through chemical and X-ray analysis.

The electrostatic precipitator bag filters ensure a high degree of pollution control in the plant where about 130 people work in three shifts. The number of worker will shortly be increased to 300.

Meanwhile, the OCC's OR7.7 million housing project is nearing completion. It consists of six large three-bedroomed houses, 20 small three-bedroomed houses and five blocks of apartments.

The latter include 60 flats each of two bedroomed and 96 flats of one bedroomed and two dormitory units.

The complex will house more than 300 people, and will have a mosque, senior and junior staff clubs, a swimming pool, a medical centre and shops.

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FATE OF PLO AS ORGANIZATION DISCUSSED

London AL-MAJALLAH in Arabic No 210, 18-24 Feb 84 p 5

[Article by Salih Qallab: "While the Rebels Disagree About the Alternative, an Yemeni-Algerian Initiative Tries to Unify the Palestinian Position"]

[Text] During the past 2 weeks, the Palestinian crisis has moved among a number of Arab and foreign capitals. These public and secret movements have followed two major axes. The first has to do with the efforts being exerted by the rebels and their allies to create an alternative Palestinian leadership. The second has to do with the efforts being made to contain the contradictions and heralds of partition that have appeared on the Palestinian scene in the aftermath of the visit made to Cairo by the head of the PLO, Yasir 'Arafat.

Information obtained by AL-MAJALLAH from numerous Arab and Palestinian sources has confirmed that the rebels and their allies have conducted a series of contacts and worked very hard during the past 2 weeks in order to create alternative leadership for the PLO. They have taken all possible steps and measures in this regard, but have come up against a formidable obstacle: the matter of agreeing on who will head this leadership and be their alternative candidate for the chairmanship of the executive committee of the PLO.

In this regard, the Syrian and Libyan capitals have witnessed numerous contacts, meetings, and consultations. However, the problem of agreeing on an alternate leader has continued to stand in the way. None of the attempts and contacts have been able to overcome it. The dispute is basically between two factions. The first group believes that the Fatah rebels deserve to inherit the leadership of the PLO. Their candidate is Nimr Salih (Abu Salih). At the same time, the general secretary of the Popular Front-General Command, Ahmad Jibril, considers himself to be most deserving of this position, since it was he who led the Tripoli War against the Palestinian leadership.

In the past, this problem was resolved on the basis of a compromise solution according to which Khalid al-Fahum, the chairman of the Palestinian National Council, was nominated to head the alternate leadership. However,

he did not hesitate to decline the position, fearing that he would be accused of dividing Palestinian activity and harming national unity. It is said that an official Syrian party advised him to take a position of neutrality with regard to this subject and wait for the right circumstances, so that he could become the consensus candidate in the Palestinian community.

On the margin of the actions taken by the rebels to create an alternate leadership, contacts have been carried out with the Popular Front and the Democratic Front. These two groups have come under Arab pressure to take part in the process of changing the Palestinian leadership. However, this pressure has been in vain. It is generally believed that the position taken by the Democratic Front under the leadership of Nayif Hawatimah has brought failure to the attempts by the rebels to use 'Arafat's visit to Cairo to isolate the Fatah movement.

It is worth pointing out here that the Fatah movement has been trying very hard, both before and after the visit, to set up an axis of independent Palestinian organizations, including the Popular Front and the Democratic Front, in order to convene the Palestinian National Council with a two-thirds majority of the membership. This means 256 out of the total of 384 members. These representatives are the members of the Palestinian parliament in exile, and they attended its last session in Algeria.

A Yemeni Initiative

AL-MAJALLAH has learned that the Yemen Arab Republic has delegated itself a role in mending the split in the Palestinian community. During a recent meeting in Sana'a, President 'Ali 'Abdullah Salih told Salah Khalaf (Abu Iyad), a member of the central committee of the Fatah movement, that his country, in cooperation with the People's Democratic Republic of Yemen and Algeria, would undertake an initiative to unify the Palestinian position, with a view toward convening the Palestinian National Council. Informed Yemeni sources have told AL-MAJALLAH that the talks in Aden between President 'Ali 'Abdullah Salih and South Yemeni President 'Ali Nasir Muhammad would focus on this matter and on sending a joint delegate to Algeria in order to reach agreement on the unified initiative mentioned above.

Several previous attempts have been made to work out an understanding between the Popular Front, the Democratic Front, and the Palestinian Communist Party, on the one hand, and the Fatah movement, on the other, in order to confine the dispute produced by 'Arafat's visit to Cairo. During a meeting held in Algeria, which was attended by George Habash, Nayif Hawatimah, and Abu Iyad, the methods of unifying the Palestinian position were discussed. However, this attempt produced only an agreement to hold a meeting in Aden for the officials in the aforementioned organizations. This meeting was not held because Habash and Hawatimah did not attend. The reasons for this seem to be connected with the Arab pressures to which these leaders have been subjected.

Official and informed Palestinian sources have pointed out that the Algeria meeting produced an agreement of honor through which those in attendance agreed that those who stayed away from the Aden meeting would bear the responsibility for any new deterioration that might occur in Palestinian national unity. They also agreed that it was necessary to undertake a political initiative that would restore balance to the Palestinian situation, in order to prepare the way for convening the National Council. With regard to this subject, it seems that South Yemeni President 'Ali Nasir Muhammad is currently trying very hard to convince both Habash and Hawatimah to come to Aden and meet with the leaders of the Fatah movement, in order to lay the foundations for bringing success to the Yemeni-Algerian initiative and to draw up a political program on the basis of which the National Council could be convened.

However, it seems that all these attempts are still blocked by the position of the Popular Front, which is insisting on dismissing 'Arafat, despite the fact that, according to our information, Abu Iyad managed to convince George Habash during the Algeria meeting that 'Arafat's visit to Cairo ought to be considered a "mistake" instead of an act of betrayal.

Putting the Palestinian House in Order

In the same context, the central committee of the Fatah movement is trying to hold a series of meetings on various levels in order to put its house in order from the inside. It is well known that the central committee recently held a meeting in Tunis that Abu Iyad did not attend, since he was busy with his assignment in Aden and Sana'a. At this meeting, a committee was established to make the preparations for the movement's fifth congress. Another committee was set up to organize the affairs of the Palestinian forces stationed in a number of Arab countries. It has been mentioned in this regard that the position taken by 'Arafat at the Islamic summit with reference to the issue of Egypt's return to the organization was not accurately reported by the media. It has been said here that the central committee of the Fatah movement had decided to have the Palestinian delegation to the Islamic summit take a neutral position on the question of Egypt's membership in this international organization. Palestinian sources have noted that 'Arafat clarified the true nature of the stand he took at the summit after it was over to both Algeria and Tunis. The same sources have indicated that 'Arafat is now trying to explain his position to the other Arab countries.

Some elements in the leadership believe that the delicate nature of the stage through which the Palestinian cause is passing makes it necessary to unite sincere Arab and Palestinian efforts in order to benefit from any positive developments on the Arab and international levels and "avoid falling into a ditch that could lead to the disturbing of the Palestinian situation." Therefore, these elements consider it unlikely that the matter of forming a Palestinian government in exile will be discussed before the National Council is convened. They also consider it unlikely that 'Arafat will make a new visit to Cairo "before the last one produces positive results."

It has been said with regard to Palestinian-Jordanian relations that 'Amman is shunning any dramatic developments in its relationship with the PLO. It is said to have informed a number of Palestinian officials, including the deputy general commander of the forces of the Palestinian revolution, Kahlil al-Wazir (Abu Jihad), that it prefers not to see the talks between the two sides resumed on the old basis, either in terms of form or of content. To be more precise, King Husayn told Abu Jihad during their recent meeting that he preferred to have the talks be conducted by a Jordanian delegation chaired by himself and a Palestinian delegation chaired by Yasir 'Arafat, instead of simply talking with 'Arafat, "in order to avoid the atmosphere in which the previous talks were conducted." It is well known that Jordan has informed the Palestinian side that it would be ready to resume the talks after the middle of February, that is, after King Husayn has returned from a trip to the United States undertaken for medical treatment.

12224

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PALESTINIAN ATTEMPTS TO RETURN TO BEIRUT DISCUSSED

London AL-MAJALLAH in Arabic No 211, 25 Feb-2 Mar 84 p 19

[Article by Salih Qallab: "After the War in the Southern Suburb, the Palestinians Are Making a Political and Media Return to Beirut"]

[Text] Recent developments in Lebanon have awakened among the Palestinians a dream that has enticed them since their departure from Beirut in the summer of 1982 after the Israeli siege. It is the dream of returning to the Lebanese capital and regaining their small "kingdom" in the neighborhood of the camps of Sabra and Shatila. This "kingdom" harbored their political consciousness, granted them freedom of movement, and allowed them to form their own agencies and armies.

This dream has tempted both the realists and the romantics in the Palestinian factions, especially in the first months after their departure from Beirut, when the journey of dispersal through God's wide world began and their actions began to be limited by the laws of the regimes in the lands to which they emigrated.

The extent to which the Palestinians are tied to this dream is reflected by the fact that the 16th session of the Palestinian National Council (PNC), which was held in Algeria last February, was tantamount to the Beirut session. Most of the discussion concerned Beirut and the acts of heroism that were performed there. The odes that were uttered glorified Beirut and expressed longing for the city. The Lebanese delegation that attended this session was the object of the salutations and interest of all.

When the split in the Fatah movement occurred, the accusations that were exchanged dealt mainly with the experience of Beirut and the different positions taken during the Israeli siege. The rebels accused Palestinian leader Yasir 'Arafat of insufficiently defending Beirut and giving up the idea of remaining in the city too easily. At the same time, the Palestinian leadership produced evidence showing that the rebel leaders had been among the first to demand a departure from the city and had supported the American proposals, which had included an offer to take the Palestinians out of the city without their weapons and under the flag of the International Red Cross by means of American ships. Moreover, the rebels added to their

list of accusations against the Palestinian leader a clause stating that 'Arafat was bound by the commitments and promises he made to remove the Palestinian forces from all Lebanese territory. According to this line of reasoning, he is not thinking at all about returning to Beirut and regaining the positions lost by the Palestinians because of the Israeli invasion of Lebanon's territory. However, it has become clear that Abu 'Ammar, despite his realism and moderation, was more strongly tied to the dream of regaining his lost "kingship" in Beirut than the rebels. This is confirmed by the fact that he risked returning to Tripoli as soon as the first ray of hope appeared after the outbreak of the mountain war. He thought it might be possible to return to al-Fakahani in West Beirut, where he used to enjoy a margin of independence in the sanctuary of the Palestinian camps.

As Abu 'Ammar, in light of the Tripoli war, its ramifications, and its results, was giving up once and for all the dream of returning to Beirut, and even the idea of staying in Lebanon, the rebels, supported by their Arab alliances, continued to talk about returning. Abu Salih gave a statement in which he promised to return to the Lebanese capital soon. This statement annoyed some Lebanese forces, even some whom he considered to be his allies. They criticized his publicly in the pages of the Lebanese newspapers.

Abu Musa tried to send some of his supporters toward Beirut during the mountain war, but this was prevented by the forces of Walid Junblatt. The Palestinians turned back and headed to Tripoli in order to take part in the war launched against the leadership of the PLO.

At this point, we must point out that some Palestinian factions, in particular the Popular Front and the Fatah movement, did preserve a presence in the Palestinian camps in Beirut, despite the developments that occurred last year and the slaughter at Sabra and Shatila. They could do so because of their basic organizational resources among the population of these camps.

Renewing the Attempts

When the recent events in West Beirut began, the rebels renewed their previous attempts. Abu Musa held a press conference in Shtawrah following a military meeting attended by representatives of the forces allied against the PLO. He called for general mobilization and pointed out that his supporters and followers were taking part in the fighting alongside the Progressive Socialist Party and the Shi'ite Amal movement. However, the National Salvation Front immediately confirmed that no Palestinian faction was taking part in the fighting. It is said that contacts were made with Abu Musa and his principal commanders in order to put a stop to their statements about their participation in the fighting against the Lebanese army and the Phalangist forces.

Some sources have indicated that the rebels have talked a lot about their participation in the recent confrontations because they want to create a foothold for themselves on the way toward the Palestinian camps, in view of the fact that they lack a strong organization in these camps.

AL-MAJALLAH has learned that as soon as the Lebanese army withdrew from West Beirut and the international Damascus highway was open through al-Shuwayfat, Abu Salih headed for the Lebanese capital and met with some of the leaders of the leftist parties there, including the head of the al-Murabitum movement, Ibrahim Qulaylat. He also met with some religious figures, including Shaykh 'Abd al-Hafiz Qasim.

It is said that all those whom Abu Salih met, with the exception of Qulayat, rejected his return to the Lebanese capital and the establishment of his headquarters there. Reliable sources have said that the head of the Amal movement, Nabih Birri, asked Abu Salih in writing to leave Beirut and not repeat his visit. On the other hand, it seems that Abu Salih obtained from Qulaylat a promise to facilitate the movement of his followers in the Palestinian camps of West Beirut.

AL-MAJALLAH has also learned that a barricade set up by the Progressive Socialist Party in the al-Shuwayfat region stopped Abu Musa and prevented him from going to Beirut. Moreover, the Lebanese Communist Party sent a memorandum to the leaders of the rebels in which it warned them about the results of the dangers involved in the continuation of their attempts to return to the Lebanese capital.

AL-MAJALLAH has also learned that the Palestinian camps in West Beirut put up signs supporting the PLO and 'Arafat's leadership as soon as rumors reached them of Abu Salih's presence in Beirut. Sources noted that some limited confrontations had taken place between the inhabitants of these camps and some supporters of the rebels who tried to open up offices in Sabra and Shatila.

Opposing Action

In opposing action, AL-MAJALLAH has learned that last week witnessed contacts between the Palestinian leadership and the leadership of the Amal movement. The Palestinians told Nabih Birri that they were ready to provide possible and necessary assistance without interjecting the name of the Palestinians into Lebanese struggles.

Reliable Lebanese sources have informed AL-MAJALLAH that the contacts between Birri and the Palestinian leadership dealt with the possibility of permitting the PLO to engage in political and media activity through its office in Beirut in accordance with the agreements concluded with the Lebanese state.

On this basis, it is expected that the PLO office in Beirut will resume its activities in the near future. The office was closed down during the Israeli invasion of the Lebanese capital, and then its contents were plundered and taken to a station belonging to the Lebanese army.

With regard to the return of the Palestinians to Beirut, it has been pointed out that the members of the Palestinian factions who are natives of the camps oppose setting up offices and open military bases for the resistance in the camps. They lean toward cooperating with the Amal movement and the Lebanese parties.

It seems that this line of thought is based on the positions of the Fatah movement, which believes that it is better for the time being not to introduce the Palestinians into the current Lebanese struggles. Fatah is trying to give margins of freedom to the Palestinian camps in accordance with the agreements concluded with the Lebanese government.

However, in accordance with the situation on the Palestinian scene, this does not mean that some Palestinian organizations will abandon their attempts to return to Beirut. Neither does it mean that new developments, which might turn back the clock to the time before the Israeli invasion of Lebanon, will not be taken into account, even by the PLO and the Palestinian leadership.

As is well known, the Palestinian leadership puts at the head of its list of priorities its continuous search for a place that will provide it with margins of independence in the areas of decision making and action, as well as the chance to confront Israel without coming up against Arab positions. However, it seems that all this is dominated not merely by the situation and developments in Lebanon, but by the situation in the region as a whole. To be precise, it is controlled by the positions of the regional powers with effective influence in Lebanon.

12224

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BRIEFS

RECRUITMENT CAMPAIGN--While displaying his analysis of some Arab developments, an Arab diplomatic source said that his attention had been attracted by a call for volunteers to join the ranks of the Palestinian resistance that was recently published in a number of Arab newspapers and magazines. The call raised some questions, as well. The source was referring to the call for volunteers that was distributed through the Libyan press offices. The source defined his questions and the points that had attracted his attention in the following manner. (1) The call was published as a paid commercial advertisement, although the matter in question does not merely concern a pan-Arab issue, but the mother of such issues. (2) The call asked for volunteers to join the ranks of the Palestinian resistance as a whole, but it directed the volunteers to the ranks of only four organizations: the Popular Front-General Command, al-Sa'iqah, Popular Struggle, and the Popular Front for the Liberation of Palestine. (3) The advertisement did not contain the names of the other Palestinian organizations, as if they were not concerned with liberating Palestine. (4) Finally the source asked himself about the direction from which the volunteers would proceed to liberate Palestine under the current circumstances. Southern Lebanon is occupied, and neither the Syrian front nor the Jordanian front is open to Fida'iyyin activity. [Text] [London AL-TADAMUN in Arabic No 44, 11 Feb 84 p 6] 12224

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REAGAN'S REELECTION CONSIDERED HELPFUL TO MIDEAST PEACE

Riyadh AL-YAMAMAH in Arabic No 788, 1 Feb 84 pp 42-44

[Article by Yahya 'Izz-al-Din: "American Elections: Will the Arabs Vote for Reagan?"]

[Text] It is true that international interest in the American elections is a customary matter because of the importance of the United States as the strongest and richest country in the world. However, the upcoming elections are unique because they come on the heels of an important qualitative change in the performance of the republican American government, which came to power after the "Jimmy Carter" administration and the crises of the 1970s that shook the American establishment and weakened Washington's alliances with Europe and its friends in the Third World. This was a result of the events in Iran, the invasion of Afghanistan and the hostage crisis. At this point confidence in American credibility had reached its lowest level and hesitation and groping became the hallmarks of American foreign policy. Regardless of the debate over the performance of the Reagan administration, both his friends and his enemies acknowledge that this actor, who many political pundits consider to be ignorant of political affairs and dependent on his media attraction and charisma more than his academic knowledge, has been able to instill a new spirit into the huge American machine on the economic, political and military levels. They also acknowledge that he has succeeded, despite everything, in turning the pages of America's "difficult years" at the end of the 1970s. It is possible to summarize the success of the Reagan administration as follows.

He resurrected American military power by supervising the largest defense budget in America's history, approximately \$305 billion, and implementing huge arms projects that included all branches--land, air, and sea--of the armed forces, as well as space research, electronic warfare and "star wars" systems.

He believes that the military budget gap between Washington and Moscow, which arose during the Carter administration, has now been eliminated, that perhaps the balance of power is now tipped toward the United States, and that the Soviet Union has now retreated to a defensive position.

It is true that the fruits of this policy have come at the expense of American relations, have delayed an East-West "reconciliation" along with

settlement of the resultant numerous international strains, and have resulted in a freeze of most arms agreements. However, in the view of the western world in general most conservative democrats in America, what has been accomplished was necessary to achieve a balanced relationship that prevents the Soviet Union from exploiting military superiority and launching military adventures abroad on the "Afghani" model. There is an important psychological aspect to the resurrection of American military power. The confidence of the Western allies, which was shaken by Carter's hesitation, has come back stronger than ever. Coordination between the United States and the countries of the NATO alliance has reached an advanced level that has led to the accomplishment of important matters, such as the deployment of American medium-range nuclear missiles in Europe, despite the public debate about them and propaganda and psychological pressures applied by the Soviets to plant division and discord between Washington and the European countries. President Reagan has tried to keep his word and his promises as much as possible. He is not satisfied with the method of issuing threats to fight Soviet communist influence. He has combined his threats with action in Latin America--Grenada and El Salvador--and has succeeded in stifling Cuba's Fidel Castro as a source of communist revolutions in the Caribbean. He sent the marines to participate in keeping Lebanon from crumbling and he visited Japan and Korea with the goal of strengthening strategic relations with allies in the Pacific.

He has strengthened the American economy. This accomplishment is considered by business circles and capitalists in America to be the ultimate accomplishment of the republican administration. The dollar has reached its highest rate in history, new fields of work have opened up for the unemployed, and the American economy has recuperated noticeably in the fields of agriculture, industry and finance.

However, this success came at the expense of many of the poor minorities in American society and at the expense of the social welfare and services spending for a large group of America's poor. America's budget deficit has hurt the Western European countries with high interest rates on the dollar and the American invasion of many local markets.

The western alliance has been strengthened and cooperation and coordination between Western Europe and America has improved. In this regard, the American president has succeeded in strengthening the alliance. He has been committed to prior consultation with the European capitals on policy matters vis-a-vis the Eastern block countries. Also, he took a strong stance alongside Great Britain during the Falkland crisis, something which strengthened the confidence of the European allies in their ability to rely on American support during difficult times. It can be said that the exemplary relations, which Reagan has succeeded in building with England's conservatives, the Germany of Helmut Kohl, and even socialist France, are distinguished by their strength and earnestness.

The Middle East and the Difficult Test

The Middle East crisis has always been the litmus test and the measure of success or failure for the United States, at least as far as the Arab and Islamic worlds are concerned.

Does Reagan deserve the votes and support of the Arabs, or have the interests of their national cause put them among those who are hoping for a change in the American leadership? A fair answer to such a thorny question requires a review of Reagan's Mideast record and a survey of the ideas of his opponents, the candidates from the Democratic Party. Let's begin with the first point:

No one disagrees about Reagan's strong support for the Jewish state and the huge amount of economic and military aid that Israel has received during his administration. However, for the truth to prevail, we must point out that Reagan's position is nothing new, but a continuation of an old American policy that has been adhered to by successive republican and democratic administrations alike. Even the weak Carter administration gave Israel Camp David and removed Egypt from the field of military confrontation with Israel. We do not intend here to enumerate the reasons for this tight bond between America and the Jewish state, or the restraint caused by powers that support Israel, including political organizations in Washington, the Zionist Lobby, and various Jewish organizations, restraint that inhibits any American president and makes him a hostage to this pressure and intimidation. However, we would like to say that President Reagan has not been free from these pressures at all, and that most of his policies have been a result of them.

Some Arab experts say that Reagan is more supportive of Israel than the majority of those that have preceded him in the White House. There is a lot of evidence for this. Reagan has allowed the appointment of personalities well-known for their deep ties to Israel to sensitive posts in the country, including Joseph Churba, Edward Lutwak, Sherwood Goldberg and Harvey Sherman. The State Department is swarming with advisors that carry dual Israeli and American citizenship. President Reagan appointed Richard Berle, who is well-known for his ties to Zionist organizations, to the post of Assistant Secretary of Defense. Berle himself appointed Stephen Brian as an advisor to the Defense Department. The latter has been accused of leaking important military secrets to the Israeli intelligence service "Mosad." This large number of Israeli servants in America is responsible for many American political trends which add to Israeli stock and which resulted in the strategic cooperation agreement between Washington and Tel Aviv, an agreement which became a source of extreme concern for most Arab officials and created a fracture in the United States' relations with the Arab world.

However, President Reagan has also exerted great effort to maintain American political independence from the web of the Zionist spider that lies waiting in every political and economic corner in America. In August 1981 he presented his famous initiative designed to find a peaceful settlement in the Middle East based primarily on Israeli withdrawal from the West Bank and Ghaza Strip. Although the Arabs and Palestinians showed noticeable reservations about the Reagan plan, a large group of Arab and Palestinian officials believe that it has positive aspects that could serve as a starting point for negotiations. There is still a ray of hope that this initiative, which Israel rejected, believing it to be a source of immense danger to Jewish goals, can be developed and made into a framework for discussions for a peaceful settlement of the Mideast conflict.

Reagan's reelection would mean that his peace plan would probably actually be developed into a framework for a settlement. It also means that there would be an American effort on the Mideast scene to force Israel to offer real concessions. In this regard, some Arab diplomats in the American capital say that Reagan, if reelected, will again be free of the pressures of the Zionist lobby and that he will not hesitate to make major decisions to bring peace to the Middle East, even if he is forced to throw his weight behind the downfall of the obstinate Likud coalition government, and bring a government of the Israeli Labor Party to power that would be prepared to negotiate the future of the occupied lands and the right of Palestinian self-determination. From another standpoint, this means that Arab interests would truly be served by a Reagan victory in the upcoming elections with the hope that the American role would continue and be moved to a new higher level. Otherwise, a new American president would come and start from zero and would be an object of Zionist intimidation during the first years of his presidency as is always the case. This would be especially true since such a president would come into office bogged down with promises and obligations to Israel. Some Arab experts fear that a new president in the White House would lead to a reversal of the important role the Reagan administration has played in supporting the legitimate political organizations in Lebanon, despite the mistakes and excesses of American policy and the marines in Lebanon. Despite everything, most observers admit that Reagan has succeeded in preventing total chaos in Lebanon and the political collapse that could lead to the final partition of the country.

Here we must add the strong, friendly relations that the American president has succeeded in establishing with most of the Arab states, and his interest in meeting the legitimate defense needs of the countries that have a traditional military cooperation relationship with the United States. This despite the screams of the Zionist lobby and its pressures. Reagan has also continuously supported the principle of mutually beneficial, respectful relations between the United States and most of the countries in the region and the world.

Democrats More Israeli Than Reagan

Although this has been a quick and brief presentation of Reagan's record, is there anything in the files of his opponents, the candidates from the Democratic Party, that would justify support for them?

The answer is absolutely not. The primary democratic candidate Walter Mondale, Jimmy Carter's vice president, places the study of Israel on a par with the study of America in his office in Washington. At every televised and public campaign meeting he comments on new obligations and promises to Israel. Mondale calls simply for granting Israel everything it wants and condemns any American hesitation to fulfill its requests. Mondale's personality and his important position in such a weak administration as the Carter administration makes him a tasty morsel for the Jewish organizations in America. It is true that the Israeli slogans now being repeated by Mondale may be well-known election tactics. However, Mondale will probably not be the person capable of pressuring Israel or forcing it to sit at the negotiating table. Also, most of the first years of his administrative will

be wasted sending fact-finding delegations to the Middle East, which means that valuable time will be wasted and the entire situation in the Middle East will return to a stage of complete stagnation.

John Glenn the astronaut, who is competing with Walter Mondale, does not hide his strong support for Israel. The same thing applies to the more than nine other candidates, even Senator George McGovern, who does not hesitate to criticize Israeli policy. The list of Democrats does not include a single candidate who is bold enough to announce a strong position toward the Middle East that takes into consideration the just rights of the Palestinian people. Even the Reverend Jesse Jackson, who Syria helped in the media last month by handing over the American pilot held prisoner, thus raising the value of his stock in the election market, has tried to flatter Israel and its supporters in America in a number of "balanced" statements.

Finally, there is an old view that says that for an American president to remain in the White House for two successive terms is never in Israel's interests, simply because he will not be forced to yield to Jewish intimidation. Such a president probably would pose a threat to Jewish interests.

Does this view apply to Reagan?

A former Arab diplomat says, "If America's national interests are victorious, then the answer is no. However, if Reagan falls in the upcoming elections, then Israel will be the only winner and its above-mentioned view will survive for a long time to come."

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SABIC PUBLIC STOCK OFFERING, BUSINESS ACTIVITIES EXAMINED

London AL-TADAMUN in Arabic No 45, 18 Feb 84 pp 55-56

[Text] At the beginning of this year, the Kingdom of Saudi Arabia witnessed an important economic event, the offering of 20 percent of the shares of the Saudi Arabian Basic Industries Company [SABIC] to Saudi and Gulf citizens. The importance of the event lies in the fact that SABIC is one of the country's primary instruments for creating an advanced industrial base that uses the [associated] gas that used to be flared off. SABIC currently owns 8 huge petrochemical projects in the cities of al-Jubayl and Yanbu', on the coast of the Arabian Gulf and the Red Sea respectively.

The large size of this industrial base becomes clear when we realize that, with the completion of these projects within the next 2 years, Saudi Arabia will be able to provide 5 percent of the world's basic petrochemical needs. The shares offering, which began at the beginning of last January, is the first step toward the goal of placing 75 percent of SABIC's shares in the hands of the Saudi public. The government will retain the remaining 25 percent. This is being done to provide the material and moral support necessary to this industry.

SABIC is not the only company that has had public share offerings. Saudi Ministry of Commerce statistics calculate that there are about 51 public companies that were registered at the end of 1981 operating in the fields of banking, electricity, oil and gas, cement, conversion industries, transportation, and others. After the completion of the SABIC offering, shares of the al-Qasim Agricultural Company are expected to be offered. The al-Qasim Company operates in the field of agricultural development and has an estimated 500 million Saudi riyals capital. The company's founders have subscribed to about 1.8 million shares of a total of 5 million shares.

SABIC Projects

SABIC has participated with a number of international organizations to establish local industries. The most important of these projects undertaken by SABIC are:

The Saudi Methanol Company (al-Razi). This company was established by SABIC in cooperation with a group of Japanese companies. The company owns a factory in the industrial city of al-Jubayl with a production capacity of 600,000 tons of

chemical methanol annually. The factory began to export its production at the beginning of 1983.

The Saudi Yanbu' Petrochemicals Company (YANPET). This company was established in April 1980 in Yanbu' by SABIC and the American firm Mobil Corporation to produce ethylene, ethylene glycol and polyethylene. Production will begin in 1985.

The Saudi Petrochemicals Company (Sadaf). This company was established in September 1980 in al-Jubayl by SABIC and the Arab company Pecten, a subsidiary of the American company Shell Oil. It is one of the largest petrochemical complexes in the world. Production here will also begin in 1985.

Al-Jubayl Petrochemicals Company (Chemia). This company was set up by SABIC and Exxon in April 1980 to produce 260,000 metric tons annually of low density polyethylene. Production will begin in 1985.

The National Methanol Company (Ibn-Sina). This company was established in February 1981 in the industrial city of al-Jubayl by SABIC and two American companies to produce 650,000 metric tons of methanol annually.

The Arab Petrochemicals Company (Petrochemia). This company is owned completely by SABIC. It was established in May 1981 to build a petrochemical complex that will begin production in 1985.

Al-Sharqiyah (Eastern) Petrochemicals Company (Sharq). This company was established in May 1981 by SABIC and a group of Japanese companies. It will begin production in 1985.

Al-Jubayl Fertilizer Company (Samad). This is a joint venture between SABIC and the Taiwan Fertilizer Company. It was established in December 1979 in al-Jubayl to produce 500,000 tons of urea annually. Production began during the first half of last year.

Saudi Arabian Fertilizer Company (SAFCO). SAFCO was established in 1965 and began producing urea fertilizer in 1981. It has a production capacity of 330,000 tons annually. The Ministry of Industry and Electricity's share of the company has reverted to SABIC.

The Saudi Iron and Steel Company (Hadid). This company was established in March 1979 in al-Jubayl in cooperation with the German Development Organization. SABIC is the majority owner. This is one of the largest iron and steel production complexes in the region. It began production in 1983 and has a capacity of 800,000 tons annually.

The Rolled Steel Factory in Jiddah (Sulb). The factory was completed in May 1979 and its production capacity has reached 140,000 metric tons annually. It fulfills the growing needs of the building sector in the kingdom.

The National Industrial Gases Company (Ghaz). This company was established in February 1983 in al-Jubayl as a joint partnership between SABIC and the

Saudi private sector. It includes two phases. The first phase will be completed this year with a production rate of 400 tons daily. The second phase will be completed next year with a production rate of 1,200 tons daily.

[Inset: "Details of SABIC, Whose Shares Were Offered for Trade."]

[Text] It is a Saudi national corporation established by royal decree number M/66 of 13 Ramadan 1396 AH to establish, operate and market the products of basic industries which can rely on available natural resources, the foremost being natural gas.

The company has 10 billion Saudi riyals in capital and the Saudi government owns a portion of the company. Its capital investment for industrial projects is about 35 billion riyals.

The company's goals are to develop natural resources including Saudi hydrocarbons and minerals and convert them into industrial products, and to develop Saudi human resources and create trained groups capable of bearing the burden of industrialization.

At the beginning of last January SABIC offered 20 percent of its capitalization for public subscription. Two million shares were offered in the first phase with a face value of 1 billion Saudi riyals. Of this, 1.8 million shares were allocated for Saudi citizens and 200,000 shares for individuals from the Gulf Cooperation Council states. The value of a single share is 1,000 Saudi riyals.

12608

CSO: 4404/348

SAUDI ARABIA

'ABDALLAH'S TRIP TO DAMASCUS, LONDON EXAMINED

London AL-TADAMUN in Arabic No 46, 25 Feb 84 p 3

Text The truth of the situation in the Arab region and the Lebanese crisis in particular certainly became clearer to Great Britain after the official visit undertaken by Saudi Arabia's Crown Prince and Deputy Prime Minister 'Abdallah ibn-'Abd-al-'Aziz to London last Wednesday, 22 February 1984.

This clearer picture, coupled with the extreme admiration the Margaret Thatcher government has for the Kingdom of Saudi Arabia, will naturally make British efforts to find solutions to the Arab region's crises more effective.

The visit of Prince 'Abdallah ibn 'Abd-al-'Aziz to Damascus came during extremely important circumstances, the main focus of which is Syria. The Lebanese crisis continues because Syria will not be lenient about conditions. The Arab summit scheduled to be held in Riyadh has been delayed because Syria does not want to settle its problems with Iraq, continues to rely on Iran as much as possible, and will not try to facilitate Egypt's return to its Arab place and status, especially since its Islamic place and status was restored at the Casablanca summit a few weeks ago. The situation within the PLO is confused because Syria, in cooperation with the Libyan Jamahiriyyah and Iran, sided with the faction that opposes the leadership of Yasir 'Arafat. The danger has moved closer to the Gulf region because Syria is encouraging Iran to continue its efforts to export its revolution, rather than participating in deterring this effort. A conflict between the superpowers (the United States and the Soviet Union) has nearly come to fruition in the Mideast region as a result of the increasing stubbornness of the Syrian position. The apparition of a closure of the Strait of Hormuz by Iran supported by Syria hangs in the air in the region.

Moreover, the visit came at a time when the situation had arrived at a point where any delay would be critical, and any procrastination on Syria's part to respond favorably to the Saudi effort to find a solution to the Lebanese crisis would itself cast a shadow over Syrian intentions, especially since the Saudis were able to extract a promise from Lebanese President Shaykh Amin al-Jumayyil to abrogate the agreement with Israel.

If one may say so, Prince 'Abdallah ibn 'Abd-al-'Aziz, by his trip to London via Damascus, was able to kill a number of birds with one stone, as

the saying goes. In front of President Hafiz al-Asad he stated that he had visited to offer congratulations for overcoming his health crisis and to implore him to work to overcome the crises hanging over the region. He conveyed to Syrian officials, i.e., the two decision-makers President Hafiz al-Asad and his brother Dr Rif'at al-Asad, words that they have seldom heard from the good Saudis who have visited them in Damascus. At the same time, because of the little-known close personal relations between Prince 'Abdallah and the strongman in the Syrian government, Dr Rif'at al-Asad, the Crown Prince was able to hear words from Syrian that had not been said to any other visitor, regardless of his stature.

Although the road to Damascus is usually crowded with visitors and envoys who have come on special and sensitive missions, very few of them have been able to hear the precise details of the situation and developments from Dr Rif'at al-Asad personally. However, in the case of Prince 'Abdallah, the strongman in the Syrian government played the role of host, friend, companion, explainer, requester, warner, and clarifier. Unfortunately, however, because of reasons nobody knows or at least because of reasons that are difficult to grasp, the returns of the relationship between the chief of the Saudi National Guard and the commander of the Syrian Defense Companies--in terms of solving some of the crises raging, including the Syrian-Iraqi crisis, the Syrian-Lebanese crisis, and the Syrian-Palestinian crisis--are not as fruitful as they should be or as one would hope they would be.

Prince 'Abdallah ibn-'Abd-al-'Aziz, motivated by a belief in the necessity of prompting an influential country such as Great Britain, probably assumed that British officials, who are aware of the personal relationship between him and Syrian rulers, might raise a number of questions, most revolving around a central theme: What do they want (i.e. the Syrian rulers)? Despite that fact that he knows better than any other Arab official what the Syrians want and what they do not want, he nonetheless went to London via Damascus to find out what was new or renewed so that his answers to the expected British questions could be clearer. In addition, Prince 'Abdallah's visit to London via Damascus gives this trip an unusual dimension and leaves British officials with a sense of anticipation. Therefore, this trip is a departure from the normal protocol and its deeprooted traditions.

It is worth pointing out here that despite British diplomatic acumen and the acumen of their counterparts in Damascus, what Mrs Margaret Thatcher heard from her guest, who visited in response to an invitation extended over a year and a half ago, was something she had never heard before.

Indications are that Prince 'Abdallah ibn-'Abd-al-'Aziz, who practices politics with the utmost frankness--sometimes to the point of spontaneity, may have said the same sort of thing in his meetings with British officials that he said to the American roundtable delegation [of businessmen] a few weeks ago when this delegation visited Saudi Arabia. As a reminder, the prince spoke about the American role in Lebanon in harsh, frank and clear terms, including the statement, "If this fleet and the American forces came to Lebanon to repel the aggressor, force him to withdraw, and punish him, then this fleet and these forces are welcome. However, if this superpower came to protect certain individuals, or to execute a policy based on erroneous advice, then this is a disgrace for the United States."

In light of such frankness, which appears necessary at times, then what Prince 'Abdallah may have said during his official visit to England is, "However, if England is responsible for what has happened to the Palestinian people, through the Balfour promise which it made to the Zionists in 1917 and the fact that it has done nothing for The Palestinian people in the 67 years since this mistake, then this is a disgrace for England. England must intervene now to find a just solution to the Palestinian issue in light of its responsibility for what has happened to the Palestinian people as a result of this iniquitous promise."

After Prince 'Abdallah's statements to the American roundtable delegation, any international party is susceptible to hearing Saudi comments of the same spontaneity and frankness. What we hope is that Prince 'Abdallah will persist in speaking the same way, or with even more harshness, to Arab parties as well, especially those who revel in the thought of a flood washing away the nation, believing that they would be able to remain out of harm's way.

12608

CSO: 4404/348

FRENCH COMMUNIST ORGAN REPORTS ON AFGHAN 'COUNTERREVOLUTIONARIES'

Paris HUMANITE DIMANCHE in French 6 Jan 84 p 7

[Text] Peshawar, in Pakistan, has become the headquarters for the Afghan counterrevolution. As such, it has become famous and is frequented by all sorts of people. Our special correspondent, Jacques Fath, also made the pilgrimage. He had some astonishing encounters in that small city. People there do a lot of talking in the back-shops of the bazaar. They talk about trafficking and big deals. And the dollars pocketed by some rebel chiefs never reach the camps where one finds the Afghan refugee families who were torn from their own country by the obscurantist rhetoric of the feudal lords, and are living in pitiful conditions.

Here is his report:

The airplane is homing in on the center-line of the airstrip. Out of the window I see seven or eight fighters go by: MiG's, and several anti-aircraft batteries scarcely masked by the trees. The passenger in the next seat, wearing dark glasses and with very short hair, seems to have understood my interest in what is going by below us, and flashes me the knowing smile of insiders. The plane lands and comes to a stop. The short-haired man rises and tells me in a boastful tone, in English: "In Peshawar, we are ready to fight the Russians!"

Thus, though I had scarcely arrived in Peshawar, the capital of the North West Frontier Province (NWPF), the tone had been set. People here are obsessed--with Afghanistan. In this Pakistani city where the dictatorship appears at every streetcorner in the guise of a soldier or noncommissioned officer, truncheon in hand, with a well-trimmed mustache, life seems rather calm, despite the incredible disorder and the crowds swarming in the immense bazaar.

Sometimes the smell of an open-air sewage channel overpowers the more delicate scents of watermelon and pomegranate. The women, veiled and furtive, are not seen anywhere near as often as the military. One can recognize the Pathans--or Patchuns--with their clear eyes and voluminous turbans colored gray, blue or chestnut. They are in their own element here, but just as frequently one also sees pronouncedly Hindu types, with black hair and gentle black faces. So life

seems rather calm, except for that obsession with Afghanistan. The progressive intellectuals I met told me the reasons.

The problem of the Afghan refugees is a serious one. Officially there are 3 million of them, but the numbers are only approximate. There might be less than 2 million. It matters little. Those one can see--and I have seen them--on the banks of the Chitral River (the Kunar in Afghanistan) breathe the unwholesome dust from the dirt roads and live in gray tents provided by the United Nations. They are visibly living in wretched conditions. But there are others who are the object of bitter criticism in Peshawar. These are the rich Afghan traders, who are part-traffickers and part-speculators. They are despised: "They are raising rents scandalously," I was told, "they traffic with Kabul, steal business and pay no taxes. Very often they are profiteers."

I was to have an opportunity to meet such people. One evening, as I entered a carpet shop, I was greeted by two men who saw that I was European and immediately engaged me in conversation:

"We are Afghans!...Not refugees. We are Mujahiddin!...We go over the border every 2 or 3 months to fight the Russians...We will crush them!"

I question them: "So! You are natives of Kabul?"

"Yes, yes."

"What did you do in Kabul?"

"I was the owner of a hotel."

"And you?"

"I am a businessman."

"What sort of 'business'?"

"Oh...import-export, I am wealthy, you know!" he adds proudly.

At once I begin to have doubts about their "military" zeal. The rest of the conversation, however, would leave me in no doubt about their anti-communist outlook. These people seem to be the most widely hated by the Pakistanis whom I met. But the Afghan rebels are most despised. It seems that virtually everyone is against them.

In order to pay for their weapons, many rebels traffic in drugs* from Pakistan. Some high-ranking rebels--it is said--even sell their own daughters to Saudis or Gulf sheiks. Others, tribal chiefs for example, buy women or young girls. I was told on several different occasions that a certain Yannis Khalis--the

*See Kim Gordon Bates in LE POINT, No 539, of 17 January 1983, and Konrad Ege in LE MONDE DIPLOMATIQUE, September 1983. Both accounts confirm the existence of this traffic.

head of one rebel faction--bought a 17-year old girl for 80,000 rupees (about Fr 48,000), when he himself was 70 years old; but more often the price seems to be comparable to what a tourist would pay for a rug...This kind of trade--even if it is not widely practiced--is all the more odious to Pakistanis because they aspire to real social progress--an aspiration, however, which the dictatorship is incapable of satisfying. All the same, the survival of such practices in Peshawar is not so surprising when one considers the tendency for obsolete attitudes to perpetuate themselves in tribal societies.

Finally, my interlocutors explained to me that the guerrilla war being carried out by the Afghan rebels is organized by six clans. Three of them are allegedly very reactionary, and three others are of a right wing nationalist orientation, linked with ex-King Zaher Shah. The first three are supposed to be united under the command of Gulbadin Hikmatyar, a man close to Zia Ul-Hak, the Pakistani dictator. These factions get military aid from instructors--primarily Americans and Pakistanis--in several ultra-secret camps that are off limits to both foreign visitors and journalists.

Among the rebels, few are really "political." In reality, I was told, the tribal chiefs enter into agreements with the heads of rebel factions.

The alliances are often fragile, and there are frequent shifts, which testify to the low level of political motivation. Tactics are always the same: ambushes, attacks on armored columns, attacks in villages and intimidation. The people who have not yet left the war zone are thus often forced to do so by a rebellion which ends up encouraging emigration to Pakistan and thereby aggravating problems.

I explained that in France the press generally describes the rebels as people who are fighting for freedom against the Soviets. My interlocutors laughed heartily and one of them, incredulous, told me: "Is that right, do they really say that in France?..." Then he added, almost indulgently: Well, your press is certainly not very progressive these days..."

9516

CSO: 4619/25

PRESIDENT'S SPEECH TO 23 FEB PARLIAMENT SESSION

New Delhi PATRIOT in English 24 Feb 84 p 5

[Text] Following is the text of President Zail Singh's address to the joint session of Parliament on Thursday, reports PTI.

Honourable members: It gives me pleasure to welcome you to this first session of Parliament in 1984 and to extend to you my best wishes for the successful completion of the budgetary and legislative business ahead.

In the current year the economy has made impressive recovery and progress overcoming the adverse effects of widespread failure of rains. Agricultural production is expected to grow by 9 per cent as against a decline of 4 per cent in the previous year.

The production of foodgrains is likely to exceed the target of 142 million tonnes, compared to the actual production of 128.4 million tonnes in 1982-83 and the previous best record of 133.3 million tonnes.

The buoyancy in agricultural production reflects the soundness of the strategies and programmes followed over the years. The irrigation potential, which increased by 2.34 million hectares in 1982-83, is expected to increase further by 2.37 million hectares in 1983-84. Special efforts have been made to improve the

utilisation of the potential so created.

The high-yielding varieties programme has continued to expand and the 1983-84 coverage is expected to be 52 million hectares. Fertiliser consumption during 1983-84 will be well above the Plan target.

Special attention is being paid to dryland farming, 4,246 micro-watersheds have been identified for adoption of new technologies which will help the poorest rural communities. A Centrally sponsored scheme for assisting small and marginal farmers was also launched in 1983-84.

The recovery of the industrial economy and the improvement of the infrastructure have maintained good tempo. Coal production has shown steady improvement after September and the output in 1983-84 will be close to 140 million tonnes.

During the first nine months of 1983-84, power generation has grown by about 5 per cent over the previous year. The production of crude oil, which was 10.5 million tonnes in 1980-81 and 21.06 million tonnes in 1982-83, is expected to increase further to 26 million tonnes in 1983-84.

Special efforts have been made to maintain railway freight at a level higher than the previous year's. Port capacity is being expanded and the total traffic handled by the major ports in 1983-84 is expected to be an all-time high of over 101 million tonnes.

The growth of the industrial sector, which was sluggish in the first half of the year, improved in the second half and an overall industrial growth rate of 4.5 per cent is likely in 1983-84. The manufacturing sector has performed well, textiles, engineering and cement industries have shown substantial improvement.

The industrial relations situation also continued to be satisfactory during the year, in spite of various stresses and strains in different parts of the country. The common worker has responded to the Government's call to maintain the momentum in economic development, which is reflected in increased production.

We can ill afford to ignore the harm done by disruptive activities of communal and secessionist elements. . . some internal as well as external elements are at work to undermine India's political and social stability.

The growth rate of GNP this year is expected to be 6 to 7 per cent, as compared with only 1.8 per cent in 1982-83. In the first four years of the Sixth Plan, the average growth rate of GNP will be about 5.4 per cent. The country can take legitimate pride in this achievement.

The price situation has caused us anxiety. On 7 January 1984, the annual rate of inflation reached 10.4 per cent. The inflationary pressures on the economy, largely reflect the low growth of output in 1982-83 due to the drought.

A number of measures to counteract these pressures and to bring down inflation have been taken. These include: Incentives for increasing production of foodgrains, oilseeds and pulses, the expansion and strengthening of the public distribution system, a vigorous procurement drive, timely marginal augmentation of domestic supplies through imports, incentives for increasing industrial production, and enforcement of fiscal and monetary discipline aimed at the reduction of excess liquidity in the system.

The record crop of 1983-84 and the continuing improvement in the infrastructure and the industrial sector will help in bringing down the rate of inflation in the months ahead. The Government have also taken several steps to curtail expenditure while maintaining the stimulus to production, efficiency and full utilisation of capacity.

The situation regarding our external payments has improved. The trade gap is expected to decline for the second successive year. During the April-October 1983, exports (excluding oil) grew by 9.9 per cent compared to the same period of 1982-83, and the value of imports (net of oil exports) declined by 2.5 per cent.

The policy of building production capacities in critical sectors and reducing bulk imports has yielded dividends. Another encouraging factor is the substantial improvement in the flow of funds from Indians abroad.

As our foreign exchange reserves have increased, the Government have decided voluntarily not to make any further drawals under the extended fund facility with the International Monetary Fund after the current year. Out of the total SDR 5 billion we are utilising only 3.9 billion, thus making SDR 1.1 billion available to the IMF to assist other developing countries. Our people can be proud of the success of our external adjustment policies.

Vigorous implementation of the twenty-point programme, with its emphasis on anti-poverty measures, is transforming the condition of the rural poor. Under the Integrated Rural Development Programme, 9 million rural families, including 3.2 million families belong-

The external payments situation has improved.

The trade gap is expected to decline for the second successive year.

ing to the scheduled castes and scheduled tribes, have been assisted in the first three years of the Sixth Plan.

The total outlay on this programme during the first three years has been Rs 22,530 million. In the current year another 3 million families are being helped. Targets to generate additional employment under the National Rural Employment Programme were fully achieved during the first three years of the Plan and the progress during the current year is satisfactory.

A new Rural Landless Employment Guarantee Programme was launched on 15 August, 1983. Rs 6,000 million have been allocated for it. There has been excellent response also to the new programme of providing self employment to the educated unemployed. A target of assisting 2.5 lakh educated persons has been set for 1983-84.

Honourable members of Parliament are aware of the achievements of Indian science in 1983-84. On 17 April, 1983, the Rohini satellite was placed in a near earth orbit. INSAT-1B was successfully launched on 30 August, 1983. Since 15 October, 1983 it has been serving our telecommunication, television, radio and meteorology programmes.

A large expansion of television services has been planned to increase the coverage of population from 23 per cent in 1983-84 to 70 per cent by 1984-85.

The annual rate of inflation has reached 10.4%. The inflationary pressure on the economy largely reflects the low growth of output.

India has signed the Antarctic Treaty and has become the 15th consultative member State. So far three expeditions to Antarctica have been organised and a regular station established. For the first time two women scientists have gone to that continent.

We have registered ourselves with the International Sea-Bed Authority for a pioneer area

for extensive survey of polymetallic nodules in the Central Indian Ocean. The first unit of the Madras atomic power station, which was designed and fabricated indigenously, attained criticality on 2 July, 1983, and has been operating at power levels up to 200 mw.

Parliament has recently approved the National Health Policy which lays stress on preventive, promotive and rehabilitative aspects of health care. The core of the policy lies in community participation and the provision of health services through primary health centres to millions of families in the far-flung rural areas. Vigorous measures are being pursued for control of tuberculosis, leprosy and blindness.

India's efforts in family planning received international recognition when our Prime Minister was given the United Nations Population Award at a special ceremony held on 30 September, 1983 in New York. An all-time-high rate of around 25.9 per cent has been achieved in couple protection. The number of acceptors



The country can achieve sustained progress only in a climate of harmony and determination to resist any threats to its unity and integrity. We can ill-afford to ignore the harm done by disruptive activities of communal and secessionist elements, violent agitations and systematic efforts to denigrate the many-sided achievements

of our people. Together, these trends in our body politic are weakening national cohesion, some internal as well as external forces are at work to undermine India's political and social stability.

In today's complex international situation, it is essential to intensify our vigilance to preserve our economic and political independence. Every patriotic citizen must cooperate with the Government in putting down forces that seek to divide the people on the basis of caste, creed, region or language. At the recent meeting of the National Integration Council there was a heartening consensus, cutting across differences of political outlook and ideology, that the fabric of national unity must be strengthened and the sense of Indianness promoted. There is agreement amongst most parties against the use of violence in support of agitations and the harbouring of anti-social elements in religious places. The use of places of worship by criminals affects their sanctity and harms the interest

We would like the government of Pakistan to respond positively to our desire for better relations and our proposals for friendship, peace, and cooperation, and to take steps to curb the propaganda against us.

of various family planning methods has increased by 15 per cent in April-December 1983 over the corresponding period of the previous year.

In education the focus of attention continued to be on universalising elementary education in the age group of 6-14, with emphasis on girls' education, and on eradicating adult illiteracy by 1990. Taking advantage of the growth of television and radio, a vigorous programme of non-formal education has been planned. In higher education, it has been our effort to improve the functioning of universities and institutions of higher technology. The work of the two commissions set up to study the role of teachers has made progress.

A national council of arts has been established under the chairmanship of the Prime Minister which will formulate policies to improve the national endeavour in various fields of cultural development and conservation of our heritage. A National Book Development Council has also been set up for the development of our book industry.

of the nation, apart from bringing a bad name to religion. I urge honourable members to convert this growing feeling into a national programme to bind different parties in the country and different sections of our people into a strong and vibrant national entity.

In Assam, the State Government have made strenuous efforts to promote peace and stability. This endeavour has been widely supported by the public who have realised that violence leads only to social and economic dislocation on a large scale. Tribunals have started working to facilitate a resolution of the foreigners' issue. Firm measures have also been taken to check illegal immigration. I trust honourable members will help in the process of reconciliation.

Punjab has witnessed tragic violence against innocent persons. Some forces have sought to weaken the centuries old fraternal bonds between communities. It is however heartwarming that the majority of the people, irrespective of the community to which they belong, have refused to be misled by the sinister

propaganda of hate let loose. It is imperative to restore normalcy and peace in that State. The Government have always been anxious that the problems in Punjab be solved through dialogue between all concerned.

A distressing development is the recent spread of communal violence to Haryana. I hope that peace will soon be restored in the affected areas.

The Government have been seriously concerned over the acceleration of the activities of communal and anti-national elements which constitute a series of threat to the security and integrity of the country. The dastardly assassination of an Indian diplomat in the United Kingdom by a gang of terrorists who claim to represent a secessionist movement in Jammu and Kashmir has emphasised the need for vigilance and preparedness on our part. The wider repercussions of such developments should be kept in mind.

Our polity has sufficient strength and resilience to overcome these difficulties. The health of our democratic institutions is sound. The Indian people have time and again shown their determination to protect their hard won freedom and unity. It is up to us to harness their unbounded energy and idealism for the strengthening of the nation.

The international situation is disturbing. The arms race has continued unabated with the global expenditure on armaments exceeding 600 US billion dollars annually. Disarmament negotiations have not registered any progress. The talks between the USA and the Soviet Union on the limitation of the intermediate nuclear forces have been suspended. The prospect of redressing economic disparities is equally bleak.

The security environment in our own region has worsened. The militarisation of the Indian Ocean area continues. The induction of highly sophisticated weapons in our neighbourhood causes concern. We prefer to spend our scarce resources on development, but we cannot afford to be blind to our defence requirements. In spite of this build-up all around us, we have persevered in our policy of seeking friendship with all our neighbours. We should like the Government of Pakistan to respond positively to our desire for better relations and our proposals for friendship, peace and cooperation and to take steps to curb the propaganda directed against us. The ethnic violence in Sri Lanka, in which Indian nationals and Tamils and others of Indian origin suffered heavy casualties and loss of property, naturally caused deep concern to the entire country. It is gratifying that the Sri Lanka Government accepted our offer of good offices to facilitate a viable political settlement. We hope that the All-parties Conference will lead to a lasting and satisfactory solution. Efforts aimed at the normalisation of relations with China, including the settlement of the bounda-

ry question are continuing. A number of visits have been exchanged and discussions held with the countries of the region with a view to resolving outstanding problems and further improving bilateral relations. A positive develop-

***The use of places of
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ment was the launching of an integrated programme of South Asian Regional Cooperation. We were privileged to have the King of Bhutan as our chief guest on Republic Day this year.

An event of high significance in 1983 was the Seventh Conference of Non-Aligned Countries in New Delhi. The Conference reaffirmed the continued relevance and validity of the policy of non-alignment. The Prime Minister, as Chairperson of the Movement, has already taken a number of initiatives to promote peace, disarmament and economic cooperation. The most significant initiative was the Organisation of informal consultations at summit level in New York at the time of the UN General Assembly. These consultations were widely acclaimed as having contributed to a useful process of dialogue on some of the critical issues of the day. Another step was the sending of a non-aligned ministerial group to West Asia in connection with the developments within the Palestinian Liberation Organisation. The Government firmly adhere to the principled policy of extending every possible support to the PLO and to liberation movements in Southern Africa and Namibia. We also played host to the Commonwealth Heads of Government Meeting in November. It brought together Heads of Government belonging to industrialised as well as developing countries and gave new support to initiatives for peace and international cooperation.

***In Punjab... some forces
have sought to weaken
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communal violence in
Harvna.***

The tradition of friendly cooperation with the Soviet Union and the Socialist countries is growing. We were deeply grieved at the passing away of Mr Yuri Andropov, the General Secretary of the CPSU and President of the USSR. The Prime Minister flew to Moscow to convey India's sympathy to the Soviet people in their sorrow. She had a useful meeting with Mr Konstantin Chernenko, the new General Secretary of the CPSU, at which the desire to strengthen mutual relations was reiterated.

The Prime Minister had a useful exchange of views with President Reagan in New York. Preparations are under way for the holding of Festivals of India in the United States and France. Our relations with the countries of Western Europe were further strengthened by various high-level visits in both directions.

I paid State visits to Czechoslovakia, Qatar and Bahrain. The Prime Minister visited Yugoslavia, Finland, Denmark, Norway, Austria, Cyprus and Greece. She also met the President of France in Paris. In addition to the participation of Heads of State/Government at the NAM Summit and CHOGM, were also had the privilege of playing host to a number of distinguished visitors from abroad. Queen Elizabeth II combined a State visit to India with the opening of the CHOGM. The President of Bulgaria, the Chancellor of the Federal Republic of Germany, the President of the Republic of Maldives and the Prime Minister of Czechoslovakia were other distinguished guests. These visits have helped to strengthen the friendly ties and cooperation between India and these countries.

Honourable Members, the Republic is passing through a period of stress. Important national tasks require steadfast devotion on the part of its public servants and people's representatives. We must give more to the nation than we take from it. A rededication to national ideals is needed so that all of us may give of our best to the cause of national unity and progress.

I wish the Honourable Members all success in their strenuous endeavours that lie ahead.
JAI HIND.

CSO: 4600/1609

DETAILS OF COMMUNIQUE ON CZECH LEADER'S VISIT

New Delhi PATRIOT in English 24 Feb 84 p 5

[Text] India and Czechoslovakia on Thursday called for urgent steps to create a climate of understanding and confidence to defuse the present international tensions.

A joint press statement released at the end of the three-day visit of Czech Prime Minister Lubomir Strougal expressed serious concern at the increasing tensions in the world involving the danger of a nuclear confrontation. The two countries called for an immediate halt to the nuclear arms race and restoration of detente.

Premier Strougal was given an affectionate send-off by Prime Minister Indira Gandhi and her Cabinet colleagues at Delhi Airport as he left for Rangoon on the second leg of his tour of South Asia. Both leaders have expressed personal satisfaction at the highly successful visit, during which the two countries resolved to further intensify economic and technological co-operation. Among the decisions reached during the visit are renewal of the trade and payment agreement for another five years, and identification of various commodities which Czechoslovakia could import.

Prime Minister Indira Gandhi has accepted Mr Strougal's invitation to visit Czechoslovakia at a convenient date. President Zail Singh had recently been to that country on his first State visit after assuming office.

The joint press statement reflected the shared concerns of the two countries on the major crises of the world and the dangers that threaten mankind. Particularly, the two countries emphasised the need for renunciation of the use of force in international affairs. The two leaders also agreed that the implementation of the decisions reached at the non-aligned summit would go a long way in helping create a better international environment.

During the talks, they also informed each other of developments in their respective regions. The situation in West Asia, Lebanon, Southern Africa and international economic problems also came up for discussions.

The two leaders expressed conviction that their talks had contributed to the strengthening of the traditional friendship between India and Czechoslovakia and given a new impulse to deepen relations.

While assessing the results of bilateral cooperation achieved so far in the economic field, in trade and science and technology, the two countries agreed broad possibilities existed for further growth and diversification of their ties.

Both Prime Ministers also expressed satisfaction at the development in relations in culture, education, science and public health and agreed to continue them for their mutual benefit.

In an interview telecast on Doordarshan, Mr Strougal suggested signing of an agreement between Warsaw and NATO countries guaranteeing against "unexpected" nuclear missiles attack on each other. Mr Strougal defended Czechoslovakia's deployment of nuclear missiles on its territory for self-protection.

MINISTER PRESENTS PRE-BUDGET ECONOMIC SURVEY

Calcutta THE STATESMAN in English 28 Feb 84 pp 1, 9

[Text] New Delhi, Feb. 27.--The pre-Budget economic survey presented to Parliament by Mr Pranab Mukherjee, Minister of Finance, today, is buoyantly optimistic of the future. The growth in the Gross National Product during the year is put at 6% to 7%, compared with the modest 1.8% in 1982-83, leading to the assessment that the average growth rate will be about 5.4% in the Sixth Plan period.

The year's surge ahead is mainly due to the creditable performance by the agriculture sector, with a foodgrain production of 142 million tons, especially as industrial growth continues to be sluggish and is expected to register no more than a 4.5% rise, compared to the 7% to 8% considered desirable.

The optimism exuded by the economic survey is tempered only by the admission that the annual inflation rate as measured by the consumer price index was 12.8% in December 1983, and 10.7% by January 14 as measured by the wholesale index.

The survey gives little hint of what is coming in the Budget to be presented on Wednesday, but points out significantly that "direct taxation cannot be relied upon to generate large revenues" without affecting the incentives to save and invest. Also, "indirect taxation has already reached high levels and the scope for raising additional resources through this instrument beyond the normal growth in revenues associated with rising production is limited".

(This observation, says UNI, is seen as an indication that no heavy taxation, direct or indirect, would be contained in the Budget for the coming year).

The survey does not give the same critical assessment of the problems facing the economy as its predecessors in the past few years and concludes that "despite strains, the last four years have been years of significant economic progress". But it points out that the key to growth at a higher rate in future years with stability in prices, as well as in the balance of payments position will lie in the growth of agriculture.

Prospects for the next financial year (1984-85) are "also favourable". The survey expects agricultural growth to come down to a normal level, but the industrial sector should continue to improve and show a higher growth rate. Since the infrastructure is also expected to improve further, "the economy is well set for healthy growth in GNP in 1984-85".

Yet, despite the many achievements that it lists, the survey warns that these should not lead to complacency. "The economy faces increasingly difficult challenges in the years ahead, and as the country approaches the start of the Seventh Plan period, it will be necessary to devise systems and strategies to meet the challenges if the record of progress of the Sixth Plan is to be sustained".

Among the difficulties that lie ahead are the prospect of the saving rate not increasing significantly, and the growing strains on the external resources position since IDA funds will now be out and because the commercial debt has grown, availability of resources in the future will depend "to a great extent on the growth of public sector surpluses which must come primarily from improvements in operating efficiency and productivity".

Industrial growth must now increase beyond the stagnant level of 5% a year and reach at least 7% to 8% despite the difficulties of demand constraints, infrastructural problems like fluctuating power availability and the "structural deficiencies" which have created a high-cost and low-productivity industrial system "lacking the innate dynamism needed for speedy growth".

The survey mentioned specially the considerable improvement in the balance of payments position that has enabled the country to terminate the arrangements for the IMF extended funding facility. Much of this is due to the substantial improvement in oil production which has reached satisfactory levels and led to a cut in imports that has helped contain the trade gap.

But the survey cautions that growth in oil production in the Seventh Plan period is likely to be slower, while the demand for industrial imports would pick up. Since concessional assistance from overseas is uncertain and there can be limited reliance on commercial borrowings, "India is likely to face a current account deficit for a long time to come and financing of this deficit through commercial terms cannot be sustained for very long" despite the pressure for this from some countries.

There is thus need for an improved export performance in the coming years accompanied by intensified import substitution. Better utilization of existing and prospective capacity in steel and fertilizers were major areas of import savings, as also was edible oil.

The improvement in the balance of payments was due to the narrowing of the trade gap, which came down from Rs 5,802 crores in 1981-82 to Rs 5,526 crores in 1982-83 and is expected to be less than Rs 5,000 crores this year. It was also due to the increase in the flow of funds from Indians abroad.

The narrowing of the trade gap reflected the sources of the country in reducing bulk oil imports which are expected to come down further by Rs 1,000 crores this year from the reduced level of Rs 4,441 crores in 1982-83. At the same time, deposits by Indians abroad in banks in the country increased from Rs 243 crores in 1982-82 to Rs 800 crores in the first nine months of 1983-84.

All this combined meant that the foreign exchange reserves rose from Rs 4,265 crores at the start of 1983-84 to Rs 4,696 crores by January 31, 1984. This contrasted with the decline of Rs 1,292 crores and an increase of Rs 328 crores in the reserve in the corresponding period of 1981-82 and 1982-83.

On the price situation, the survey points out that the rise was concentrated on a few commodities like gur, oilseeds, edible oil, pulses, bilk and milk products and tea.

A contributing factor was the excess liquidity in the system which the Government tried to mop up through monetary measures.

On infrastructure, the survey points out that the power sector continued to experience difficulties as the drought of 1982-83 affected hydel generation and there was a deterioration in the plant load factor of thermal plants, but generation improved in the third quarter of 1983-84 and because of this, it was likely to increase by 6% for the year as a whole.

Coal production in the first nine months of the year showed a growth of 4.8%. Movement of goods by rail has been lower this year than expected, with freight carried in the first nine months being less by 0.2%. The growth of tonnage handled at the major ports, which had been increasing steadily in recent years, was sluggish in the beginning of the year, but improved later and was expected to grow by 7% in the year.

The excellent performances of agriculture reflected the success of the agricultural strategy in achieving high and growing levels of production. This strategy relied upon raising yeilds in agriculture through expansion of irrigation, remunerative prices for the producer, provision of high-yielding varieties of seeds and others and provision of credit.

Industrial production grew slowly because of the deceleration in 1982-83 of demand in the economy due to the drought and also because of power constraints which wer especially severe in some regions. Both factors continued to operate in the early part of 1983-84, but industrial performance improved in the third quarter. With continued improvement, industrial production for the year as a whole may show an increase of 4.5% over the previous year.

Hence the Seventh Plan must give high priority to quick maturing, high productivity investment, especially in areas which are not capital intensive. Further, the rate of growth of agriculture in the Seven Plan will have to be higher than in the Sixth Plan period if the country has to provide adequate quantities of foodgrain for an expending population.

CSO: 4600/1611

HUANG VISIT SAID TO REFLECT WISH FOR BETTER RELATIONS

Madras THE HINDU in English 21 Feb 84 p 9

[Article by G. K. Reddy]

[Text] New Delhi, Feb. 20. The former Foreign Minister of China, Mr. Huang Hua, and his wife, Madame He Liliang, who came to Delhi to attend the conference of Asian parliamentarians on population and development, called on the Prime Minister, Mrs. Indira Gandhi, today for a routine exchange of views on non-political issues of mutual interest like family planning, agricultural growth and rural development.

The 30-minute conversation was officially described as a "good talk" which took place in a friendly atmosphere, reflecting the desire of the two countries for better bilateral relations.

No contentious issue raised: But nothing concrete emerged from this discussion since no specific issue of a contentious nature was raised by either side. There was no mention at all of the border dispute or even a passing reference to the next round of official-level talks on the subject.

As both Mrs. Gandhi and Mr. Huang Hua spoke in English, dispensing with interpreters, they were able to cover more ground in the course of their exchange of pleasantries than would have been normally possible within 30 minutes. The very fact that Mr. Huang Hua did not bring along an interpreter with him was indication enough to the Indian side that he had not come to discuss any substantive issues, least of all the border problem, since it was not customary for Chinese leaders to engage in substantive discussions on any subject in a foreign language.

But it remains to be seen whether Mr. Huang Hua will refer to any political issue when he meets the External Affairs Minister, Mr. P. V. Narasimha Rao, tomorrow for a more detailed conversation. But Mr. Narasimha Rao is not expected to raise the border issue on his own although he will not shirk from a discussion on it if the Chinese leader makes a reference to it.

Policy on border question: The Secretary in the External Affairs Ministry in charge of Sino-Indian relations, Mr. K. Natwar Singh, will adopt a similar stance when he calls on Mr. Huang Hua during his stay here. The current

Indian policy is to let the modalities for substantive discussions on the border question be settled at the official-level meetings before the dialogue could be elevated to the political level in due course. The next round of these official talks are to be held in Beijing in the next two or three months following the bi-yearly pattern.

Official guests: The Chinese Government has sent Mr. Huang Hua as leader of its delegation to the conference of the Asian Parliamentarians on population and development, presumably to utilise this non-political occasion to get the message across to the Prime Minister, Mrs. Gandhi, and her colleagues that Beijing is keen on better bilateral relations. The Government of India took the hint and requested Mr. Huang Hua and his wife to be official guests for a few days after the conclusion of this conference and they readily accepted the invitation.

The External Affairs Minister will be hosting a lunch in honour of Mr. Huang Hua and his wife on Thursday before their return to Beijing at the conclusion of a week-long stay in Delhi. They will be going to Khajuraho on Wednesday and getting back to Delhi the same night in time for this official luncheon.

The Government of India has placed a special plane at the disposal of the Chinese leader and the members of this delegation for this trip to Khajuraho which has its own significance. A similar courtesy is not being extended to the leaders or members of the delegations of other countries attending the population conference.

CSO: 4600/1608

INDIA, MAURITIUS PLAN MORE COOPERATION PROJECTS

Calcutta THE STATESMAN in English 20 Feb 84 p 13

[Text] Port Louis, Feb. 18.—India and Mauritius today gave a new dimension to their economic and bilateral cooperation by agreeing to set up a joint shipping venture and extend financial assistance for several other projects, reports PTI.

The joint shipping line will have a share capital of \$11 million and is expected to become operational in October.

Summing up the decisions of the second session of the Indo-Mauritius Joint Commission which ended today, the External Affairs Minister, Mr P. V. Narasimha Rao, said economic cooperation between the two countries received a fillip at the current session. "I do not believe we have not responded to the various suggestions of Mauritius", he said, adding that cooperation between the two countries would increase substantially.

The Mauritius Foreign Minister, Mr Anil Gayan, said that the results of the joint commission meeting were of paramount importance and would go a long way towards the economic development of the island.

The two Foreign Ministers later signed an agreement for cooperation in education and culture. The ceremony was attended by the Mauritian Prime Minister. Mr Aneerood Jugnauth, who described the commission as a landmark of cooperation and goodwill between India and Maurities.

He said India and Mauritius shared the same ideals and would work together towards establishing peace in the Indian Ocean and consolidating South-South cooperation. Mauritius is the second country with which India will have a joint shipping venture--the first being with Iran. The share capital of the new venture will be on a 50-50 basis.

CSO: 4600/1607

ITALY OFFERS \$700 MILLION IN CREDIT TO INDIA

Calcutta THE STATESMAN in English 28 Feb 84 p 9

[Text] New Delhi, Feb. 27.--Italy has offered \$700 million in commercial credits, soft loans and grants to India over the next three years and today sought the identification of specific areas where these would be used.

The offer was conveyed by Mr Nicola, Foreign Trade Minister of Italy, when he called on Mr V. P. Singh, Minister of Commerce, shortly before the sixth meeting of the Indo-Italian joint ~~committee~~ on economic cooperation which they jointly opened today.

At the opening function, the two recognized the vast potential for increased trade between their countries and agreed that the joint committee should be the body through which specific areas and projects could be identified.

Mr Singh felt that Indo-Italian trade relations should focus on joint ventures and collaborations. For joint ventures, he considered as promising the fields of energy, light engineering, fertilizers, telecommunications and transport.

He also invited Italian attention to 100% export-oriented units and free trade zones while highlighting the advantages of duty-free imports of raw material, simpler procedures, the 10-year tax holiday and a ready 25% domestic market for units in zones.

Mr Capra said his delegation had come prepared for quickly initiating action on areas of cooperation and complementarities that were identified by the joint committee, particular interest in the Farakka project, automobiles and offshore projects.

Mr Singh drew his attention to such potential areas of collaboration as leather goods and their marketing, accessories, machinery, footwear accessories, jewelry and horticulture.

Collaboration in third countries, especially in civil construction, joint tendering and subcontracting, power generation, textile production and telecommunications were fields that the Commerce Minister felt were promising for the two countries.

Mr Singh pointed out that while it was mutually advantageous to look for parity in bilateral trade, the two countries should inject dynamism and growth into their trade. Indo-Italian trade, he said, had declined by about 15% in the first nine months of 1983 compared to the same period in 1982.

NAXALITE LEADER SAYS MOVE AFOOT TO UNITE FACTIONS

Calcutta THE STATESMAN in English 28 Feb 84 p 3

[Text]

By a Staff Reporter
ANNIHILATION as a political measure to bring about an agrarian revolution had proved untenable after the loss of blood, Mr Nagabhusan Pattanayak, a well-known Naxalite leader, said in Calcutta on Monday. But killings could not altogether be avoided in an agrarian revolution, he added. Mr Pattanayak thought most of the Naxalite factions would agree with him in this matter. He said efforts were under way to unite the different factions though he was not sure if the old CPI(M-L) would be revived. A new Communist party with a revolutionary ideology, programme and tactical line might be formed. He thought that the process of unity might take a year or two. A meeting of 13 Naxalite factions in December 1981 had, however, ended

in a fiasco, he remarked.

He said that on earlier occasions unity efforts had been undermined by "personality clashes" and the "Ivory tower mentality" of leaders of different factions. Each one of them had thought that he was correct and others were wrong. But, during the recent conference of the peasant wing of the Indian People's Front in Nadia, representatives of some other Naxalite factions had attended.

The IPF would launch a struggle for forcible occupation of vested land in West Bengal, it was decided at the Nadia meeting. The IPF might cooperate with the present wing of the CPI(M) if it had similar programmes in the rural sector, he said.

Mr Pattanayak, who is sick, met Mr Jyoti Basu on Monday and

demanding a judicial inquiry into the killings of 13 Naxalites at Gopalpur in Nadia and Falakata in North Bengal. He also protested against the failure of the police to apprehend the culprits.

Mr Jyoti Basu told reporters Mr Pattanayak's allegation that CPI(M) cadres in police uniform had committed those murders was "something new." It had earlier been alleged that the police had committed the murders.

Mr Basu said he had made no commitment on the demand for a judicial inquiry. He asked Mr Pattanayak why the Naxalites wanted a judicial inquiry when they had no faith in the legal system. Mr Pattanayak told him that they had to keep faith in it since they were a part of the system.

CSO: 4600/1611

INDIA REOPENS TALKS ON PURCHASE OF HELICOPTERS

Calcutta THE STATESMAN in English 20 Feb 84 p 9

[Text] New Delhi, Feb. 19.--India has reopened negotiations with three Western manufacturers on the purchase of military-cum-civilian helicopters for the Indian Air Force and the Oil and Natural Gas Commission, reports UNI.

Fresh negotiations have been necessitated by the failure to strike a deal with one of the manufacturers, who quoted very high prices for spare parts.

Teams have now been invited from Britain, France and the USA to bring new proposals, including the price and delivery schedules of the helicopters.

The helicopters being considered are the Bell-214 and Sikorsky S-76, both of the USA; the French Aerospatiale Dauphin-2 and the British Westland WG-30.

Indian Air Force pilots have already evaluated the four helicopters and have prepared a detailed report on their performance and characteristics.

The report is considered important since the evaluation also took into account the use of the helicopters for civilian purposes, particularly as logistic support for ONGC off-shore oil installations.

The ONGC requires 21 helicopters, while the IAF requires six initially, for its VIP Squadron.

British Grant

Britain has offered a grant of £ 110 million for the purchase of 21 helicopters for the ONGC, which includes the cost of spares, test equipment and training of pilots and technical personnel. India will have to pay for six helicopters for the IAF under this offer.

The IAF requires a 12-seater helicopters with twin engines to provide it with a greater safety margin and a long range.

According to official sources, the Government is of the view that bigger craft, like the propeller-driven Avrocs and the Boeing-737s now with the IAF Communication Squadron, should not be used for VIP flights whenever the seal requirement is few and the distance small.

To effect fuel economy and relieve pressure on the IAF's operational requirements, it has been decided to expand the VIP Squadron and equip it with an exclusive helicopter unit.

INDIRA, RAJIV SPEAK AT 16 FEB RED FORT RALLY

New Delhi PATRIOT in English 17 Feb 84 p 3

[Text] Prime Minister Indira Gandhi and Congress-I general secretary Rajiv Gandhi on Thursday lashed out at the Opposition parties for attempts to weaken the Centre.

Addressing a public rally at Red Fort on the occasion of Sant Ravidas's 607th birth anniversary, both leaders underlined the importance of a strong Centre for building a powerful nation.

"We have to be powerful to preserve peace and national unity, and not to destabilise State Governments or other parties, said Mrs Gandhi.

Decrying the Opposition and the press for accusing her of propagating war, she said that "they show as if I have nothing to do." Calling the increasing tension and threat to world peace genuine problems, she referred to her meeting with three world leaders earlier in the day who were all concerned about it.

"Even the world leaders who had assembled at Moscow were preoccupied with the problem, she added. They all look towards India to help defuse the 'climate of war', Mrs Gandhi said.

Talking of foreign pressures and efforts to undermine India's economic progress, she said that there was a systemic campaign to deviate the country from Indian-socialism.

She stressed the need for national unity, especially in view of the repeated attempts by foreign governments to thwart the country's development programmes through all possible means.

Reiterating her Government's commitment to the upliftment of the oppressed, Harijans, women and minorities, she hoped that the concessions they were getting would be used like a 'walking stock' to help them stand up.

"What we ultimately dream for is a strong society, where there is no difference on the basis of caste or religion," she said. This would be the best tribute to Saint Ravidas who stood for these ideals, she added.

Social Justice

The Prime Minister said that her Government's effort was to make people shed their prejudices and consider themselves part of the humanity rather than of a certain caste or creed. She also referred to her Government's endeavour to amend rules which came in the way of providing social justice to the people. The rules were meant to help people and not vice versa, she said.

Criticising the opposition parties for their attempt to weaken the Congress-I government, she asked the people to see for themselves what the Opposition had done for the scheduled caste, tribes, minorities, women, science, technology, art and culture, when they were in power.

Mr Rajiv Gandhi referred to the emergence of forces in Kashmir and Punjab which were trying to disintegrate the country. Instead of helping the Government fight these forces, the Opposition was only criticising the Congress-I, he charged.

Appeal to People

While appealing to the people to strengthen "Indiraji's hands", he said that only she could fight the divisive forces and keep the country together and work for the all-round progress of Harijans.

Among the other Ministers who spoke were Minister for Parliamentary Affairs, Sports and Works and Housing Buta Singh, the Minister of State for Agriculture and Minister for Information and Broadcasting H K L Bhagat.

Mr Bhagat also announced of a series of documentaries, including one on Ravi Das, to be made for telecast over the national hooks up.

At another function at the Socialist Party office, party president Mohit Chaudhury recalled the work of Sant Ravidas and called him a great reformist and saviour of the poor and down-trodden.

CSO: 4600/1606

SHARP INCREASE IN UNEMPLOYMENT RATE REPORTED

New Delhi PATRIOT in English 17 Feb 84 p 5

[Text] Registered unemployment in the country as reflected by the number of applicants on the live register of employment exchanges has gone up sharply from 14.33 million at the end of 1979 to 21.74 million at the end of 1983, according to the latest official figures, reports UNI.

This works out to a compound rate of 11 per cent annum in the last four years.

The number of employment exchanges has also spurted, from 546 in 1979 to 619 in 1982, thereby affording easier access for the unemployed to register themselves at the exchanges.

Of the 19.75 million registered unemployed at the end of 1982, nearly 13.21 million or 67 per cent were in the age group of 20 to 29 years. Surprisingly, though child labour is banned in the country, 41,000 children below the age of-14 were registered for jobs.

There was also a category of "60 years and above" in which 6,200 applicants were listed at the end of 1982.

About 3.1 million of the 19.75 million registered unemployed were women of whom nearly 66 per cent were in the 20-29 age group.

Scheduled Castes and Scheduled Tribes accounted for about 2.8 million applicants.

The figures, furnished by the Directorate General of Employment and Training of the Ministry of Labour and Rehabilitation, show that even in such key sectors like medicine, engineering, veterinary sciences and agriculture there are large numbers of unemployed graduates.

A vast sum of public money is spent by the Government on subsidising the education of these categories of professionals.

At the end of 1982, there were 18,500 qualified doctors on the live registers of employment exchanges of whom 3,700 were women and 1,300 belonged to Scheduled Castes and Scheduled Tribes.

The number of engineering graduates and postgraduates who were without jobs was about

23,000 of whom 1,400 were women and 1,300 were Scheduled Castes and Tribes.

Of the over 17,000 agricultural graduates, all but 200 were men.

Nearly 10 million of the 19.75 million registered unemployed were below matric, including illiterates of whom over 1.25 million were women. Matriculates and other undergraduates accounted for another eight million.

Among the 1.77 million registered jobless with graduate or postgraduate degrees, arts accounted for an overwhelming 8.4 lakhs and science degree-holders for another 3.9 lakhs.

ENGINE FOR CHETAK TANK IMPORTED FROM FRG

Calcutta THE STATESMAN in English 27 Feb 84 p 9

[Text] Madras, Feb. 26.—The illusive Main Battle Tank, which had been in the making for the past 14 years at the Combat Vehicles Research and Development Establishment at Avadi, near here, was demonstrated to the Defence Minister, Mr R. Venkataraman, today. The 48-tonne tank with a 120 mm gun was supposed to have an indigenous 12-cylinder engine with the required horse power which was higher than 1,000 according to a written answer the Defence Minister gave Mrs Jayanthi Patnaik in Parliament on Friday.

Chetak, the main battle tank demonstrated today, did have an engine with higher than 1,000 h. p. It had 1,100 h. p. to be exact. But neither the CVRDE nor the Defence Research and Development Organization had any part in its design, development or manufacture. The complete unit was purchased from Motoren-und Turbinen-Union of West Germany, suppliers of 2,000 h. p. engines to the latest Leopard II German tanks.

Two 8-cylinder MTU engines of 1,100 h. p. were airlifted, at an approximate cost of Rs. 50 lakhs, for the two prototype main battle tanks being built at the CVRDE here. These engines could be fitted into the tanks in less than an hour. The second tank is not yet ready to be fitted with the engine. CVRDE could not procure 1,500 h. p. engines from MTU because of restrictions on selling such equipment to non-NATO powers.

DVRDE, which had no experience in engine design, was issued the general staff qualitative requirement order No. 326 in 1972 to produce a 12-cylinder aircooled variable compressor ratio engine of 1,500 h. p. and to develop the automotive system, a suitable gear box and suspension system for Chetak, the main battle tank for the 80's. Instead of a step-by-step approach by working on a twin-cylinder engine, scientists involved in the project started working on a 12-cylinder engine which, on trial, could not produce more than 400 h. p.

The failure of the engine to achieve the stipulated horse was explained by DRDO scientists saying that for a 12-cylinder engine it was the limit, imposed by mechanical and thermodynamic considerations. However, it should be noted that the 8-cylinder MTU engine had a rated 1,100 h. p., belying the DRDO claim.

During the debate on demands for grant of the Ministry of Defence in the Lok Sabha on March 26, 1982, Mr Venkataraman declared: "The BMT we are developing is making rapid progress and we are sure that when this Main Battle Tank is produced, it will be on a par with some of the best tanks in the world. I am not given to exaggeration, but I should be failing in my duty if I do not pay tribute to the excellent research and development work which has been done in tank development".

CSO: 4600/1610

INDIA

BRIEFS

COOPERATION WITH ALGERIA--India and Algeria are to expand their cooperation in petrochemicals, railways and production of consumer goods. They will also have more extensive contacts in education, scientific research and cultural matters. These decisions were taken at the Indo-Algerian joint commission, which ended its meeting in New Delhi today. [Excerpt] [BK060006 Delhi General Overseas Service in English 1330 GMT 5 Mar 84]

NEW NAVAL AIR STATION--In Andaman and Nicobar islands, a new naval air station was opened at Port Blair today. It was inaugurated by the chief of the Eastern Naval Command, Vice Admiral M. K. Roy. This is the third naval air station in the country. A new naval air squadron was also commissioned on the occasion. The lieutenant governor, Mr Kampani, laid the foundation stone for the second stage of the marine jetty. It will provide harbor facilities to all inter-island vessels operating in the territory. [Text] [BK101605 Delhi Domestic Service in English 1530 GMT 10 Mar 84]

CSO: 4600/1668

DESCRIPTION OF 'GIGANTIC BATTLE' WAGED BETWEEN IRAN, IRAQ

Paris LE MONDE in French 24 Feb 84 pp 1, 4

[Article by Eric Rouleau]

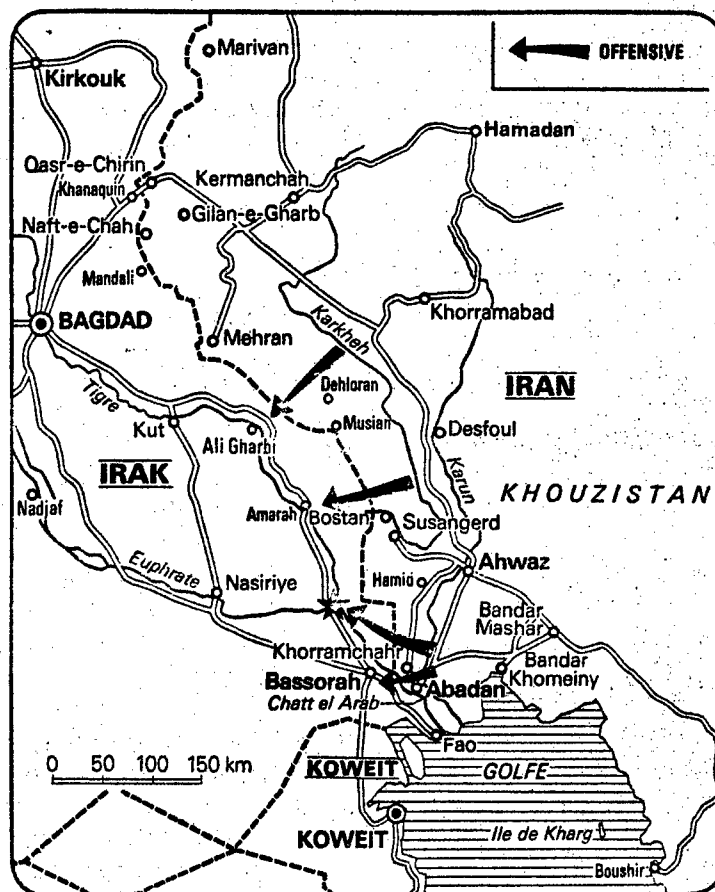
[Text] The big Iranian offensive against Iraq, which had been expected for several weeks, now seems to be in progress. It began on Wednesday-Thursday night, 22-23 February, on three fronts and several roads stretching along a line of about 300 kilometers.

According to a communique issued Thursday afternoon in Tehran, the Baghdad-Basra road was cut at several points by the Islamic forces. Among other things, these forces are said to have reached the confluence of the Tigris and Euphrates Rivers, about 50 kilometers north of Basra. Farther to the north, at Ali Gharbi, reportedly the Islamic forces blocked this vital artery. Tehran went on to report that the Iraqi army is retreating all along the front (see our map page 4) [next page].

This operation, which has been named "Aurora 6" by Tehran, started on the night of Tuesday-Wednesday and followed "Aurora 5", which had been launched farther to the south in the Bostan region with the objective of reaching a second section of Iraq's main road.

The third front was opened still farther to the south, several kilometers from Basra, the only Iraqi port on the Gulf. Tehran seems to be giving this last-named battle particular importance by naming it "Aurora 5" and "Aurora 6". In fact, this battle is curiously being described as "special operation Kheibar" (from the name of the fortress conquered by Imam Ali in the 7th century A.D.). According to a communique from Tehran which was released Thursday morning, the Iranian forces had reached the banks of the Tigris north of Basra, after having occupied about 15 villages.

However, in the absence of neutral on-site observers, there was no information concerning which way the various battles were going. Tehran claims that its army has won "important victories," occupying "several dozen square kilometers" in enemy territory. According to Baghdad, on the other hand, "Iraqi forces have wiped out the human waves which surged through the region east of Basra."



In any case, the battle is only beginning; and Iran has not yet committed all its forces massed along the international border. According to U.S. sources quoted by the AFP [French Press Agency], the offensive in progress is engaging forces comparable to those of World War I: 500,000 combatants on both sides. The battle has already caused hundreds of thousands of casualties, wounded and killed. According to the British daily, GUARDIAN, what we have here is "the most costly and most futile war in the contemporary history of the Middle East."

The war is threatening to drag on. Iran, whose air force has been reduced to its simplest terms, is spreading out its attacks and is observing periods of inaction of varying lengths so as to consolidate positions captured. The crushing superiority of Iraq in arms--thanks to Soviet and French supplies--has not yet been fully exploited. Its 300 bombers and fighter-attack planes--six times the number in the hands of the Islamic Republic--have not entered the action against the attacking forces, which, it is true, have a remarkable air defense. In the manpower sector, it is Iran which has the upper hand and by far. With a population of about 40 million inhabitants, over 2 million Iranians are in military service compared to the 500,000 of Iraq.

The course of the war could take an even more dramatic turn if Iraq were to bomb Iranian cities, the oil terminal at Kharq or the Bandar-Khomeyni petrochemical complex (formerly Bandar-Abbas). Baghdad has enough long-range rockets, supplied by the USSR, not to mention five Super-Etendard aircraft, provided by France, to strike any of the vital centers of the Islamic Republic.

This bombing, in the guise of reprisals, threatens to block the Strait of Hormuz, through which passes 25 percent of the oil consumed by the Western powers and 60 percent of the oil which turns the wheels of Japanese industry. Tehran has concentrated troops and bombers on the coast and islands near the strait. Nine U.S. and two British warships are patrolling in the region, lying in wait for any alert. A short time ago, the Pentagon designated the Gulf at its "No 3 priority," after North America and Western Europe.

However, it appears improbable that Iran has the means to block a 65-kilometer wide strait or the will to engage in a show of force with the number one power in the world. If it is true that Tehran's threats are deterrent in nature, no one is ruling out an attack by Imam Khomeyni's air force on oil tankers navigating in the Gulf, which would produce the same result, since other vessels would not venture to cross the strait. The worst case scenario would be the bombing of the oil installations in certain Gulf countries allied with Iraq. Then it would be more ticklish for foreign powers to intervene directly in the war.

8143

CSO: 4619/28

REVOLUTION COMMITTEE AIR UNIT ASSUMES CONTROL OF BORDERS

Tehran ETTELA'AT in Persian 28 Feb 84 p 3

[Text] Yesterday morning with the participation of Hojjat ol-Eslam Nateq-Nuri, minister of Interior and Supervisor of the Islamic Revolution Committees, the Revolution Committee Air unit, in order to control the borders and combat the smuggling of narcotics, commenced work officially.

During the ceremony in which Hojjat ol-Eslam Falahian, Acting director of the Revolution Committees; Colonel Sadiq, Commander of the Air Force, Ayatollah Khosrowshahi, member of the Assembly of Experts, Colonel Niknejad Acting Director of the Police Organization, Hojjat-ol Eslam Movahedi Kermani, the Iman's representative in the Police Organization; the Deputy Commander of the Ground Forces and other civil and military officials and the guards of the Revolutionary Committees participated, after performing the hymn of the Islamic Republic and reciting passages from the Holy Koran, brother Saatshi, the Commander of the Air Unit gave a report on the manner the unit was formed as well as the measures taken.

Pilot Training:

The Commander of the Revolutionary Committee, in part of his report, said that the unit was formed to control the traffic on the roads and to prevent the smuggling of narcotics. The provision of the technical cadre was carried out in two steps (pilot training and technical). A group of our Revolutionary Guard brothers in the Committee, are trained by competent pilots and technicians of the Police force and Air force. This training is anticipated to be 9 months during which 60 hours of flight is anticipated.

Afterwards Hojjat ol-Eslam Nateq-Nuri the Minister of Interior and Supervisor of the Revolution Committee, made some comments about the incentive for forming the Air unit and the control of frontiers for combating narcotics.

At the outset Hojjat ol-Eslam Nateq-Nuri, by referring to the courageous acts of the blasphemy opposing forces in the successful operations of Khybar and the role of the Air force in those victorious operations, cited their strong and epic creating spirit as the reason to contradict the lies of the Western media and said that our courageous pilots are even able to attack targets in Baghdad.

He added that although we are in a state of an imposed war, however, we see that activities go forth in such a manner as if the war had already begun.

A nation which becomes the epitome of God, does not refrain from doing anything for God and others.

At present the success of our forces is such that they are at odds with the United States of America, the USSR and their satellites as well as other enemies of Islam. Such heroics are not possible without the Grace of God.

Hojjat ol-Eslam Nateq-Nuri added that too many forces have been dispatched to the front and some have been returned. What force and devotion is this that when an 11-12 year old child is not sent to the front, he hides behind a truck full of goods for the front, in order to get there, to fight the enemies of Islam and the Koran.

Importance of Controlling the Borders

The Supervisor of the Revolution Committee stated that the problem of the borders is an important and sensitive issue, next only to that of the war. He said the United States of America and its lackeys have invested a great deal in expanding addiction so that in this way they can wage war upon us.

We must invest great deal of money to eradicate addiction and the smuggling of narcotics, for this is a great danger and opposing it is no smaller task than fighting on the front, and the committees have had an effective role in this respect.

Serious Encounter of the Judicial Branch

By emphasizing that the judicial branch must deal seriously with those arrested for selling narcotics, he said that we should not be afraid of the magnitude of closing the borders. In this regard plans have been initiated and the forces of the committees and the gendarmerie have stated their work for the creation of an border outpost. These brothers, while being deprived of many possibilities in border regions from the standpoint of environment and climate are in difficult circumstances, they, without paying attention to such matters, are resisting. They are active in various regions such as Khorassan, Sistan and Baluchestan, Bam, Kerman, etc. and have until now given many martyrs to the Islamic Revolution. At the end of the ceremony, after unveiling the commemorative plaque of the Revolution Committee Air Unit by the Minister of Interior, this unit commenced work officially. The ceremony took place at the amphitheater of the central staff of the Islamic Revolutionary Committee.

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