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Near East & South Asia

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Soviet Official on Diaspora Ties
46050024 Beirut AZTAG in Armenian
14 Mar 89 pp 4, 5

[ARMENPRES interview with Karlen Dallakyan, president of the Soviet Armenian Committee for Cultural Ties With the Diaspora; date and place not specified]

[Excerpt] [Passage omitted] [Question] In 1988 we witnessed an extraordinary situation which could not have been predicted. The cultural committee which you head and which became 25 years old at the beginning of this year has played a leading role in strengthening ties between the Motherland and the Diaspora in a practical sense. However, two events at the beginning and end of last year gave rise to the present situation. In other words, what the first event began was completed by the second. The first of these events was of a political nature: the birth of the Karabakh issue within the framework of perestroika and in the light of glasnost.

The second event was of a humanitarian nature: the 7 December earthquake that devastated at least four cities in Armenia—Leninakan, Kirovakan, Spitak and Stepanavan.

As a consequence of these two events, the Diaspora Armenians wholeheartedly embraced Soviet Armenia. All lines of demarcation that separated Diaspora organizations from Soviet Armenia in terms of their attitude with regard to the Motherland vanished chiefly as a result of the second event. They all joined hands in the face of this disaster, just as you would have liked to see the Diaspora Armenians united around the Motherland—though without this disaster. This created new conditions and circumstances which could not have been foreseen earlier. Our question is this: How do you plan to operate in the social and cultural domains in view of these new conditions—which correspond to the reconstruction of the Motherland—to take full advantage of this coalescence in the interests of the Diaspora and the Motherland, or in other words, in the interests of the entire Armenian nation?

[Answer] As you stated in the preface of your question, the Committee for Cultural Ties With the Diaspora already has a history of 25 years, and its work has indisputably contributed to the development of ties between the Motherland and the Diaspora during those years. I do not share your view that it was only the Karabakh movement and the earthquake that produced the present situation—that is the strengthening of ties. It would probably be more correct to say that these events brought the Diaspora and the Motherland closer thanks to the presence of strong ties that already existed. Those events simply reaffirmed Soviet Armenia's position as the only homeland of all Armenians—a homeland without which no Armenian can preserve his or her identity no matter what political current he or she belongs to.

Yes we would like to see all Armenians united around their motherland. That is also what the Diaspora Armenians want because there is only one mother and she is singular. We would also like to see them always united over at least the important pan-national problems.

As has already been noted, there is much that we all have to do in both the Motherland and the Diaspora. Let us rebuild our country, let us make it stronger and more prosperous—better than what it was before that ill-fated December 7. A secure Motherland means a secure Diaspora. A strong Motherland means a promising future and a firm assurance that our ancient nation can survive and that its sacred dreams come true.

The process of restructuring that has begun in the Soviet Union opens wide opportunities for people to participate in the rebuilding of the Motherland in a practical sense. These days when words are turned into deeds, it is important not to stop at half way and to find paths which help the interests of both the Motherland and the Diaspora, that is the interests of all Armenians.

Let 1989 be a watershed year in the path of further strengthening relations between the Motherland and the Diaspora.

REGIONAL AFFAIRS

Elements of Arab Economic Integration Discussed

44040305 London AL-DUSTUR in Arabic
6 Mar 89 pp 35-36

[Article by Salah 'Abd-al-Rahim al-Amin]

[Text] The Arab nation enjoys more elements and factors of integration, with all their various dimensions, than other nations that have accomplished national unity or are on the way to integration. But the Arab nation still suffers division and fracture and has been unable to fully accomplish its objectives in spite of the great optimism that prevailed after Arab League states signed in 1950 a treaty for joint Arab defense and economic cooperation and despite plans, trends, and efforts towards integration that have followed.

None of these efforts has crystallized into a successful experiment such as the EEC or the Comicon.

Arab economic integration was recently discussed in Khartoum at a seminar jointly sponsored by the Council for Economic and Social Research in the Sudan and the Association of Arab Institutions and Centers for Social and Economic Development. The latter is an Arab grouping established in 1977 as a voluntary association of Arab institutions and centers interested in issues of training and scientific research in the fields of economic development. Its current membership represents 18 Arab countries.

At its opening session, the seminar presented Dr Bidur Abu-'Affan, director of the Council for Economic and Social Research which organized the seminar in cooperation with the Association of Arab Institutions and Centers for Social and Economic Development.

It pointed out that elements and requirements for Arab economic integration are plentiful. There are 160 million Arabs who all speak the same language. Eighty percent of them embrace the same religion of Islam. They enjoy tremendous natural and human resources and are at similar development levels. To utilize these elements, however, the Arabs must band together, cease conflicts, believe in the Arab entity, and take concrete steps that include controlling human, monetary, and product flows; devising a blueprint for the division of labor among Arab states and for organizing their economic activity in order to reduce competition; and planning a clear nationalist Arab development strategy and the means for its implementation.

It lauded the role of organizations, such as the Council for Arab Economic Unity, in coordinating Arab development plans and laying the foundation for a unified Arab plan based on the concept of joint projects.

The blueprint for Arab economic integration must include rationalizing the act of state planning in order to ensure for it a wider horizon.

Seminar studies called for adding other Arab efforts to state development efforts in order to spread their benefits and for opting for a group of investment activities whose advantages may extend beyond state development to national development. In that respect, the seminar urged attention to problems of Arab development such as Arab food security, building and developing Arab technological capability, creating a developed Arab information base, and stimulating the popular sentiment towards integration in order to support the official role.

The seminar reviewed the EEC experiment, its relations with developing nations, and the possibility of benefiting from that experiment to help the economic integration of Arab Maghrib countries. It also discussed the new formula in the Arab Maghreb. Analysis has shown that trade among Maghreb states remains weak in comparison with their imports from and exports to other countries. Even though making an effort towards industrial cooperation, these efforts are still mostly secondary. A study shows that in 1986, food imported by the five Maghreb states was valued at about \$3.3 billion. This highlights the importance of Maghreb cooperation in order to avoid food dependency and the importance of Maghreb industrial cooperation within the context of Arab integration. The study adds that the risk of dependency, precipitated by reliance on imported foods and elements of production, has become acute because the burdens of foreign debt now exceed export income. Algeria's debts amount to some \$22 billion, with debt and debt service at 70 percent of export income. Morocco has debts of \$18.3 billion with a percentage of 92 percent.

The study discussed exchange policies in Arab Maghreb countries and emphasized the need to coordinate them into one foreign exchange policy that heeds exchange structures and avoids devaluations for the sake of competitiveness in foreign markets since this would cause an outflow of Maghreb resources. Because some Maghreb states are competing to devalue their currencies because they export similar products, the study also recommended that monetary integration should precede economic integration.

As for Arab integration in the field of insurance, the seminar discussed the problem of tight regulation of the insurance sector in Arab countries which severely limits company activity especially in investments. It also discussed the diversity of systems and laws governing insurance in those countries and the problems facing the Arab Insurance Association such as the failure of Arab insurance groupings. It reviewed several of its projects, such as the plan for a uniform legal text for insurance documents across Arab states, a uniform insurance card for intra-Arab shipments, the establishment in Beirut of the Arab Re-insurance Company which stumbled

because of civil war, and the failure of the Arab International Institute to train human resources. The institute was created under a resolution passed in Khartoum in 1972 by the Arab Economic Council of the League of Arab States.

The seminar made the following recommendations on insurance: encourage insurance exchange in the Arab region in order to preserve the largest amount of funds, activate the role of Arab Insurance Association, coordinate Arab investment laws, and seek to reverse the thinking of Arab states that prohibit involvement by insurance companies, help create an Arab insurance market similar to Lloyds, and stimulate commercial protocols among Arab states.

Certain working papers pointed out that stumbling by and failure of Arab economic integration attempts over the past four decades was basically caused not so much by technical organizational errors as by the aggregate factors that governed the direction of Arab society and its development during that period, in addition to the interaction of certain external and internal elements dealing with the nature of Arab society and the resultant fractures.

Certain studies presented at the seminar believe that the Arab nationalist tide has severely ebbed and has suffered reverses since the relapse of June 1967. This calls for a revival of popular awareness in order to bind decision-makers to absolute commitment and to solve the problems resulting from the lack of such political will, such as the proliferation of bilateral, rather than multilateral, relations; emphasis on state issues at the expense of national effort; and the loss of coordination among specialized Arab organizations.

The seminar criticized isolationist state development trends in certain Arab countries which acutely proliferated during the oil boom. It is a fact that economically, the Arab world integrates more with the developed industrial world than with its own states. It furthermore criticized the Arab development experiment's focus on blind freedom rather than on comprehensive planning. It also panned blind copying of the experiences of advanced industrial societies and planting them into the economy of Arab developing countries.

However, there are positive aspects that have been accomplished since the beginning of the decade, such as approving a strategy for joint Arab economic effort, focusing the 11th Arab summit on economic issues, and efforts to update the Arab League charter in line with international and Arab developments and in order to bolster Arab solidarity.

Studies presented at the seminar also showed that Arab states had a net deficit of \$19.5 billion in the trade of farm products for the period 1983-1985. The Gross Domestic Product of Arab states dropped from \$408.5 billion in 1980 to \$386 billion in 1987 because of lower

oil revenues. As a result, the share of domestic product in that product dropped from 9 percent in 1975 to 6.2 percent in 1980, then rose again to 12 percent. This share is expected to increase.

At the same time, the growth rate of the agricultural sector for the period 1970-1986 remained 2 percent below the demand for farm products which increased by 5 percent during the same period.

Seminar statistics detailed the volume of agricultural and animal production; available and potential water resources in the Arab nation; problems of production and export, their lack of coordination, and their basic dependence on non-Arab markets; problems of marketing, pricing, management, and supply; natural impediments; inadequate scientific research and rationalization; and problems of financing.

It was shown that despite the increase in aggregate Arab investment, the percentage invested in agriculture declined from 13.9 percent in the period 1970-1975 to 9.1 percent for the period 1976-1986 and was demographically concentrated in a limited number of Arab nations, some of which lack suitable farm resources.

Aggregate funds allotted Arab agricultural development in the first half of the current decade totaled some \$12.5 billion of which \$8.5 billion, or 67 percent, were spent in oil-producing states. This compares with only 4 billion for less developed non-oil Arab states with untapped suitable agricultural resources. That reflects the problem of carrying Arab investment policies under state frameworks resulting in less efficient utilization of resources.

The problems of food shortages and the continued decline of agricultural self-sufficiency were among the topics discussed by the seminar and attributed to underdeveloped agricultural productive sectors. Studies showed that Arab land productivity has deteriorated vis-a-vis world productivity. Wheat productivity, for example, is 1 ton per hectare compared to 4.8 tons. Also discussed was the danger of food dependency resulting from shortages of such foods as wheat which is being exported by a few major countries capable of monopolies and of putting pressures on free economic and political decision-making.

In the area of agricultural funding, the seminar underlined a relative lack of efficacy in the financing efforts of Arab funding and development agencies as well as distortion in the investment climate of Arab agricultural investment hosts. The seminar recommended that the agricultural sector receive no less than 25 percent of total investment in Arab states and that comprehensive blueprints for national development be drawn on the basis of sound planning with a view to comparative advantage. It also recommended augmenting the role of funding organizations, studying the feasibility of creating economic

free zones, and doubling state and national efforts to encourage scientific agricultural research and provide suitable and attractive investment climates.

As for agricultural integration, the seminar emphasized the need to coordinate Arab farm policies and focus their attention on the principle of comparative advantage in order to deal with farm production shortfalls and produce surpluses for export. It also highlighted the need for coordinating import and export policies and utilizing other advantages enjoyed by Arab countries such as the availability of labor or capital. The rise in Arab agricultural production has remained far below the increase in consumption. The value of agricultural imports rose from about \$2 billion in the early seventies to about \$20 billion in 1980 and is expected to climb to \$60 billion by 1990 and to \$120 billion in the year 2000. Arab agricultural exports, as a percentage of imports, plummeted from 81 percent in 1970 to around 17 percent in 1980 causing the gap between the value of Arab imports and income from exports to widen from some \$400 million in 1970 to about \$16.3 billion in 1980.

Energy studies show that Arab development and the quality of life of the Arab citizen will cause large increases in energy consumption which will drive Arab energy investment in the coming period to astronomical levels. Arab cooperation in the field of energy could include utilization of resources, technological development, electric grid unification, and the transport of energy across borders. This would entail updating the main framework for Arab cooperation by creating an Arab organization for energy and developing the Arab Center for Energy Studies.

The studies also show that demand for commercial energy in the Arab nation has increased at relatively high rates in the period 1970-1985 when average energy consumption (of gas, oil, and electricity) jumped from the equivalent of 29 million tons of oil to the equivalent of 171 million tons. This is an annual increase of 13 percent for the period 1970-1975, rising to 15 percent for the period 1980-1985 during the era of economic development driven by oil revenues. The rate of increase in the consumption of commercial energy in most Arab countries is not expected to exceed 4 percent until the year 2000 unless there is a considerable increase in oil prices. The consumption of non-commercial energy, such as coal, firewood, etc. increased at higher rates in certain low to middle income Arab states. It was pegged, for instance, at 80 percent of the aggregate demand for energy in the Sudan, 53 percent in Tunisia, 23 percent in Egypt, and 19 percent in Morocco.

Although individual energy consumption by Arab citizens is higher than in other developing nations, it is still only one sixth below developed advanced countries. Statistics reveal that by 1987, the Arab world owned some 57 percent of world oil reserves and 20 percent of natural gas reserves.

Seminar studies showed that electric energy plays a major role in Egypt and the Sudan but if of secondary status in several Arab states. Most untapped electric sources are found in the Sudan (some 3,000 megawatts), in Egypt at the Qattarah depression, and in numerous waterfalls in Morocco.

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OAPEC studies of nuclear energy says it is probable that the Arab nation has confirmed reserves equivalent to 60,000 tons of uranium. Studies by the Atomic Energy Agency estimate the probable reserves at between 150,000 and 500,000 tons.

The studies highlighted the feasibility of utilizing other sources of energy, such as solar power, in the Arab world which is considered a region of very high radiation especially in Mauritania, the Sudan, and the southwestern region of Saudi Arabia. Other sources of energy that could also be harnessed such as wind velocity, subterranean thermal energy, and coal.

The studies also pointed out that cooperation in the field of energy between Arab members of OPEC is limited and is not extended to other Arab states that are most in need of help in the rational utilization of resources. They emphasized the need to map all Arab sources of energy

because current resources are not renewable, and also the need to subsidize and open Arab markets to Arab states that manufacture oil equipment.

Seminar studies on the role of security in Arab economic integration say that security breaches happen in part because Arab Islamic traditions have been inundated by Western culture and because of the large presence of expatriate foreign workers. None of these, however, is serious enough to threaten Arab security. The real threat to Arab national security lurks in external trade; dealings with foreign corporations in currency exchange, contracts, etc.; the import of advanced technology into Arab countries; arms deals; firms and organizations that cooperate with enemy intelligence agencies; and certain secret organizations and international gangs some of which has begun to invade the world of technology and assign agents to steal modern inventions and breach computers in search of economic and security data in this age of information.

The seminar emphasized the need for similar security legislations in the Arab world in order to accomplish economic integration; complete the task begun with the creation of the Arab Organization for Social Defense Against Crime; coordinate the work of Arab security agencies; and plan security counter-measures in order to compensate for Arab economic integration; and planning a national Arab security policy to confront internal and external threats to Arab security.

OAPEC Report Provides Oil Reserve Statistics

44040307 Paris AL-MUSTAQBAL in Arabic
4 Mar 89 p 13

[Text] Fifty-seven percent of the world's oil reserves are located in the Arab world. This is the gist of a study prepared by the Organization of Arab Petroleum Exporting Countries. The study states that more than 21 trillion cubic meters of natural gas, or 20 percent of the world's natural gas reserves, are located in Arab countries. Moreover, according to the study, the potential discovery of new reserves totalling no less than 150 billion barrels of oil and more than 15 trillion cubic meters of gas, as well as use of ancillary oil extraction techniques, will result in the addition of reserves totalling approximately 200 billion barrels of oil.

The study notes that Algeria and Libya respectively contain 79 percent and 19 percent of the gas reserves in the Arab Maghreb region. Morocco and Mauritania, on the other hand, are importing countries, although there have been several gas finds in the al-'Awirah field in Morocco. Tunisia, in addition to having gas fields, helps to pay for its needs by benefitting from the Algerian pipeline passing through its territory to Europe.

The study indicates that off-shore Arab fields cover approximately 1.26 million square km distributed between the continental shelf and deep waters in the Arab countries overlooking the Arab Gulf, the Red Sea, the Arab Sea, the Gulf of Aden and the Mediterranean Sea.

The reserves discovered in off-shore areas contain an estimated 140 billion barrels of oil and 396 trillion cubic feet of gas. An estimated 70 billion barrels of oil and 140 trillion cubic feet of gas are expected to be discovered off shore.

The study indicates that the decline in oil prices in recent years has affected exploration operations, which led to a re-examination and modification of several of the technologies used for exploration in order to raise their performance level.

The oil study emphasizes Bahrain's extensive deep-drilling experience, which began in 1947 when the drilling of a 10,078-foot led to the discovery of light gas.

The study stresses that the decline in oil prices upended the balances which had come into existence under the impact of fluctuations in the price of oil. In this connection, the study notes that the cost of generating electricity from solar energy fluctuates between 34 and 55 American cents per kilowatt hour, while the cost of generating energy using wind power in appropriate areas, as shown by the experience of the United States and Denmark, is about 15.9 cents per kilowatt hour.

The study calls for Arab cooperation in the area of exploration for resources, and the exchange of information and experience, especially regarding border zones. It also underscores the need to monitor and intensify exploration operations, especially in the non-producing countries, or countries with limited reserves, and calls for the establishment of an Arab exploration company in order to distribute the risks.

The total consumption of energy in the Arab countries reportedly increased from 29 million tons of oil in 1970 to 171 million tons of oil in 1985. The greatest increase was in the consumption of natural gas, which totalled 35.7 million metric tons in 1985, or 31.3 percent of the total consumption of energy in the Arab countries.

Gulf Investment Organization Reviewed

44040274 Dubayy AL-IQTISAD WA AL-'AMAL in Arabic January 89 pp 86-87

[Text] Since its establishment in 1984 by the six member states of the Gulf Cooperation Council (GCC), the Gulf Investment Organization has aimed to strengthen cooperation and consolidate the economic bonds between its member states. It has also sought to expand the economic and production base of its member states, and to diversify their sources of income by developing joint industries and projects in the industrial, commercial, agricultural, service and other sectors. In addition, it has sought to encourage and support private sector investment initiatives, based on its principle that effective private sector participation is an important element in the success of investment projects.

The organization has been actively exploring and studying investment opportunities and the establishment and development of worthwhile economic projects. It has set up 91 such projects, and has pledged to invest in a number of them.

With regard to the financial and capital market, the organization continues to provide financial advice to a number of existing projects, and to assist in the administration of issues in specific currencies. Its activity has also grown in the field of investment in securities, the exchange of deposits, and the trading of different currencies.

Activities of the Organization

The Gulf Investment Organization is continuing to take steps to play a positive role in the advancement of Gulf cooperation and the achievement of its goals by concentrating its efforts and strengthening its different activities in all investment fields open to it. It is supported in these tasks by its substantial financial capabilities, which amount to authorized capital totalling \$2.1 billion, and by its technical agency, which strives to supply it with specialized expertise, advanced capabilities and training for its employees in different investment fields.

The work of the Gulf Investment Organization is concentrated in two main groups which administer different financial and investment activities: the financial group which undertakes activities related to financing, the treasury, and the administration of portfolios; and the projects group which is responsible for direct investment activity.

The Financial Group

The treasury administration has worked to diversify and expand its base of different deposits and currencies. It has also been active in providing favorable loans and credit facilities, which has enabled it to expand its assets base, and extend the scope of its different activities. The organization is continuing its currency exchange activities in local and world markets, and has formulated plans to counter risks stemming from fluctuations in currency values and interest rates.

An increase in the activity of the organization's investment portfolios administration has been reported which is attributed to an increase in the volume of financial funds in international bonds, which the organization has administered and supervised. Likewise, total investments in securities increased from \$701 million at the end of 1986 to \$782 million at the end of 1987.

The financing administration has undertaken to set up and issue a number of loans and credit facilities intended primarily to finance new projects or the expansion of projects in the GCC region. In addition, the organization has been actively marketing its financial investment services in the states of the region, and has striven to

develop its numerous capabilities and to improve the efficiency of its investment services in various fields in the GCC region. The organization is also studying new demands for financial investment services, and intends to expand these services in response to the obvious need for them in the region.

Its activities regarding the development of a capital market in the region have also increased. It participated in the purchase of bonds valued in Kuwaiti dinars, while simultaneously assisting in the administration of bonds of two international companies, and those of four bond-issuing companies in Kuwait. The organization also assumed the role of assistant administrator in one of these issues.

Projects Group

The projects group has striven to define an operating philosophy which is compatible with the political policy of the GCC countries and their need for projects capable of permanence and commercial growth, and for a new generation of worthwhile economic projects in the manufacturing industries, including the aluminum and iron industry and the petrochemicals industry, as well the agricultural sector and services.

Achievements

1. Manufacturing industries

a. The titanium dioxide industry—the organization agreed to invest in a national company to produce titanium dioxide (crystal), and it recently obtained the commercial register for this project, which will entail the construction of a 45,000-ton capacity titanium dioxide factory in the city of Yanbu'.

The organization has a 24 percent share in the new company's capital, which totals 120 million Saudi riyals. It is also currently arranging a commercial loan of \$40 million (150 million riyals) for the project. It has already obtained 242 million riyals for the project from the Saudi Investments Fund, which is 50 percent of the total investment in the project.

The American Kerr Magee [?] Chemical Company, the Sha'ir Commerce, Industry and Contracts Company in Saudi Arabia, and the Saudi National Industrialization Company also have shares in the capital of the titanium dioxide project.

b. The pharmaceutical industry—the organization has invested in the Kuwaiti Pharmaceutical Industries Company, along with the Kuwaiti private sector, the General (Kuwaiti) Investment Organization, and the Arab Pharmaceutical and Medical Equipment Industry Company.

2. Aluminum industry

a. The investment of the organization, along with the private and public sectors in the Sultanate of Oman, through the National Aluminum Products Company, reflects the organization's concern with the development of local aluminum extraction operations, which serve the markets of the GCC states, and which use large quantities of intermediate materials produced locally.

b. The organization invested in the Darfalah Aluminum Company (Bahrain), because its capital intensive technology, and the existence of raw materials at competitive prices constitute a base for an export operation aimed at many world's countries.

The Services Sector

In this connection, the organization provided assistance to a jet aircraft engine maintenance program in partnership with the National Industrialization Company, Saudi Airlines, The Saudi Company for Advanced Industries, General Electric, and the Pratt-Whitney Company. It also joined with the Boeing Company and other international partners in an aircraft structural safety maintenance program, and an electronics program. By their nature, these high-technology programs create an opportunity for the development of local skills and abilities, provide employment opportunities to citizens of the region, and lay the foundations for a sophisticated industry in the technical services sector. Among the other projects in which the organization has a share is the Saudi Military Uniforms and Gear Company.

The Agricultural and Livestock Sector

a. The organization, together with the government of Qatar and the Arab Livestock Resources Development Company, established a dairy products production project, the objective of which is to increase fresh milk production to meet the needs of the Qatari market.

b. The organization has agreed to invest in a program with similar dimensions and objectives in Dubai and the UAE [United Arab Emirates]. It has a substantial share in this project, which is also based on investments by the Arab Organization for Investment and Agricultural Development, and the public and private sectors in the UAE.

GCC States Attempt to Implement Unified Customs Tariffs

44040286 London AL-HAWADITH in Arabic
24 Feb 89 pp 52-53

[Article: "Uniform Customs Tariffs Implemented by Year End"]

[Text] Ministers of finance and economy of the Gulf Cooperation Council [GCC] states planned to meet three times this year in February, June, and October to hammer out a uniform customs tariff vis-a-vis the outside world. GCC countries put their Uniform Economic

Agreement into effect in March of 1983 but could not meet their five-year deadline for putting a uniform tariff into effect. As the deadline passed without agreement, the GCC secretariat asked the Abu Dhabi summit for a two-year extension. Some observers believe the inability to reach a tariff agreement is partly due to disparate economic levels of Council states and to constitutional considerations in the Emirates.

Tariff-wise, the GCC states are in agreement on two things:

First, that customs duties range from a minimum of 4 percent to a maximum of 20 percent, and second, that a roster be compiled of commodities to be protected at the request of any member state. Certain GCC members went as far as to exempt up to 60 percent of total imports while Bahrain and Oman balked at using the list. Bahrain had been charging above the minimum. Saudi Arabia raised its customs rates from 4 percent to 7 percent. Oman also raised its duties to 5 percent.

Article 24 of the Uniform Economic Agreement allows GCC states to request exemption, temporarily and for a limited period, from agreed uniform tariffs. The reasoning is that member states are at disparate levels of economic development and espouse different domestic development priorities. The ministers of economy and finance are working to overcome obstacles to the uniform tariff as they strive for a customs union on the way to a common market.

Economic relations among economic groupings must pass through four cumulative stages:

First, a free trade zone where commodities domestically produced by contracting parties are exempted from customs duties. GCC states reached that stage when they abolished customs duties in March of 1983.

The Second stage is a customs union where customs duties are abolished for intra-state trade and uniform tariffs imposed on foreign goods.

The third stage is a common market that additionally allows the free movement of elements of production, including capital and labor.

The fourth and final stage is an economic union with the added elements of uniform fiscal and monetary policies as well as common currency.

A customs union of GCC states would help accomplish the following:

- unified regional customs duties vis-a-vis other nations
- free exchange of goods and commodities among member states
- uniform customs policies and tariffs vis-a-vis other nations

- shared income from customs duties according to a formula worked out by member states

Organizing in a customs union is a political decision with economic ramifications. By so doing, the GCC states hope to accomplish the following:

- an economic entity capable of effecting the economic development of member states
- expanded markets and the benefits of economies of scale. A customs union alleviates the limitations of domestic markets especially in members with small populations or limited productivity, which is the case with GCC states. It would make no sense for each state to have similar but independent industries. All such industries must be coordinated into a single joint industry.
- increased investment volume within the union and instilled preference for modern technologically and scientifically based projects utilizing modern machinery and equipment.
- a plan to distribute investment among the various branches [furu'] of production in member states, and especially to projects with comparative advantage.
- by grouping together, GCC states can negotiate as a large economic entity with weight in economic dealings with the rest of the world. They would therefore have a position of strength in economic and commercial negotiations with other countries if they do not deal as separate and isolated units.

Although a customs union may give rise to issues of sovereignty, the creation of special relations, common characteristics, and similar systems would help bolster GCC economic ties, hopefully enough to minimize the issues of sovereignty in favor of total economic integration as a desired objective.

Saudi Arabia, in harmony with the customs union, raised its duties from 3 percent to 4 percent, then to 7 percent. Oman increased its fees from 3 percent to 4 percent; Qatar from 2.5 percent to 4 percent, and the UAE from 1 percent and 2 percent to 4 percent.

The 21st meeting of ministers of economy and finance, held in Riyadh, added nothing new. Bahraini minister of finance and economy Ibrahim 'Abd al-Karim, chairman of the current session, told AL-HAWADITH: "We reaffirmed the importance of our agreement of three years ago to set the range of customs duties from a minimum of 4 percent to a maximum of 20 percent. As to specific commodities and commodity groups, we called upon customs directors to meet and compile such a roster. Member states are currently in communication with each other in order to resolve the uniform tariff issue before year end.

Dr 'Abd Allah al-Quwayz, GCC deputy secretary general for economic affairs, believes that "there must be a positive movement towards a customs union because this is the source of all our problems. GCC citizens,

whether in the public or the private sector, are still being treated as foreigners. Cars still line up at borders for all forms of inspections and all kinds of stamps and must go through all types of procedures. This indicates that little has changed since formation of the Cooperation Council. Some products are still piled up at borders, frequently going bad, because of red tape." This is a tax that must be borne and paid by all who work in collective endeavors, he added.

An agreement is slow coming because consideration must be given the interests and viewpoint of each of the parties. This is a complaint common to all who work in the field of collective endeavor. The ministers of finance and economics are optimistic, however, that they will bring the issue to conclusion in 1989 and that a uniform tariff and a roster of goods will be presented to the 10th GCC summit scheduled for Muscat next December.

The ministers dealt not only with the uniform tariff but also with several other issues that could stimulate the economic cycle in GCC states. Bahrain minister of finance Ibrahim 'Abd al-Karim told AL-HAWADITH that wholesaling in GCC states will be allowed as of 1 Mar 1990, as scheduled. GCC citizens have been allowed to engage in retail commerce since 1 March 1987.

The ministers also discussed real estate ownership regulations approved three years earlier by the fifth summit in Kuwait. They resolved to update the regulations on housing as well as on other economic activities allowed all citizens of GCC states. They also discussed customs exemptions under Article 4 of the Economic Agreement and resolved not to expand on the issue to the degree that exemptions become the norm. Specific controls towards that end had been instituted at the request of GCC leaders. It was also resolved to extend the exemption enjoyed by Oman for three basic commodities—cement, plastics, and asbestos. The extension will be for two years beginning 1 January 89.

The ministers expressed satisfaction at economic measures and procedures implemented during the previous period and called upon competent ministers to observe the Uniform agreement and its various articles in order to move closer to the objective of Gulf economic unity.

As to ECC negotiations, Ibrahim 'Abd al-Karim told AL-HAWADITH that a negotiating team has been assembled to project a solidified GCC viewpoint before entering into a free trade agreement with European common market countries.

The ministers also discussed the issue of incentives and asked the secretariat to do a technical study of the subject for presentation at their next meeting.

Commenting on the right of GCC citizens to own stock, [ABD AL-KARIM] said the fundamentals approved by Gulf leaders in this regard deal with corporations to be

created within the framework of allowable economic activity which includes industry, agriculture, commerce, fishing resources, building contracts, and tourism.

The state of Bahrain has allowed Gulf citizens to own up to 25 percent of the shares of any corporation in Bahrain, in any sector including banking and insurance, whether subsidized by the government or not.

Kuwait allows Gulf citizens as many shares as they desire in any Kuwaiti firm with the exception of those in banking and insurance and provided the chairman and two thirds of board members are Kuwaiti.

Gulf citizens can presently own shares in 42 common companies capitalized at \$7 billion. This represents 42 percent of all publicly owned stock companies in GCC states.

**Khartoum-Riyadh Relations Reportedly
Unaffected After Al-Mahdi Remark**
44040255a Paris AL-MUSTAQBAL in Arabic
11 Mar 89 p 8

[Excerpt] Political observers in the Sudanese capital have noted that Riyadh does not attach anything to remarks made by Sudanese Prime Minister al-Sadiq al-Mahdi, in which he stated that "Saudi aid to Sudan is insufficient." Nonetheless, such remarks surprised Saudi circles, not only because they represent an attempt by al-Sadiq al-Mahdi to diminish the role and size of Saudi assistance, but also because of the feeling that the Sudanese prime minister is attempting to malign the name of Saudi Arabia regarding his failure to solve the problem of southern Sudan, as he did in the case of Egypt as well.

The role and size of Saudi aid to Sudan has been very well known since the famine in 1986 and 1987 and last summer's flood, during which King Fahd ordered the formation of a committee to aid Sudanese victims which was headed by Prince Nayif Ibn-'Abd-al-'Aziz. Prior to providing this aid, Riyadh also supplied Sudan's oil needs on a number of occasions, even though Saudi relations with the Sudanese prime minister were extremely tepid. The Saudi monarch supplied this aid because he believed at the time that it was unrelated to politics. Moreover, during last summer, Riyadh made efforts to urge Addis Ababa to assist in solving the problem of southern Sudan and to improve relations with Khartoum.

Riyadh does not believe that its lukewarm relations with the Sudanese prime minister will affect its relations with Sudan, which are described by a political source as "longstanding and close." An indication of this is the fact that, following the aforementioned remarks made by Prime Minister al-Sadiq al-Mahdi, the Chairman of the Sudanese State Council, Ahmad al-Mirghani, hastened to telephone King Fahd Ibn-'Abd-al-'Aziz to convey an official statement praising Saudi aid to Sudan. In making

this telephone call, Chairman al-Mirghani was not only responding to the remarks made by the Sudanese prime minister, he was also striving to avert a crisis. [passage omitted]

PALESTINIAN AFFAIRS

**World Islamic Organization Gives \$180,000 to
West Bank, Gaza**
44040297 Kuwait AL-SIYASAH in Arabic
15 Feb 89 p 6

[Text] The chairman of the Palestinian Charitable Committee of the World Islamic Charitable Organization, Dr Amin al-Agha, stated that the establishment of this committee is based on the objectives of the organization as exemplified in God's exalted words, "aid righteousness and piety, and do not aid sin and aggression." Dr al-Agha added, in a statement to the Kuwaiti News Agency yesterday, that the committee was established in June 1988 in order for the World Islamic Charitable Organization to participate in assisting the Muslim Palestinian people, who are being subjected to the ordeal of colonial occupation, oppression, expulsion, and denial of the most basic human rights. Dr al-Agha reported that the committee is striving to achieve the following goals: the provision of assistance to the children of martyrs, prisoners and the wounded, and to needy orphans in the occupied lands; the establishment and supervision of educational, social and medical projects to fulfill the needs of the Palestinian people; and to increase awareness about the danger posed by Zionism to the present and future of Islam and Muslims.

Dr al-Agha indicated that although the committee was established only a short time ago, it has realized outstanding accomplishments, including the distribution of 1,000 slaughter animals for the Feast of the Sacrifice [Id al-Adha] (1408 A.H.) to the needy in the occupied lands, and the provision of aid valued at \$180,000 to the families of martyrs, prisoners and orphans in the occupied lands.

The committee is also helping to cover the expenses of several religious propagandists working in the occupied lands, as well as the expenses of several Palestinian students sent abroad for advanced studies.

Dr al-Agha stated that the most important project which the committee has decided to implement in the future involves family sponsorship, in which a charitable brother takes responsibility for supporting a family in the occupied lands by providing it with 30 to 50 dinars per month. The committee will also work to implement several production programs, with the aim of providing several services to the population, employing the work force, and creating new employment opportunities.

He added that the committee has decided to implement a program to provide on-going charity, care, and sponsorship for orphans. The activities of the Palestine

committee in the near future will include the implementation of several information activities intended to increase awareness regarding the Palestinian cause, such as the preparation of a photographic exhibit and video tapes, the organization of conferences and lectures, and the preparation of information and other publications.

He concluded his statement by saying that the most important areas to which the generous public can contribute at present include the sponsorship of orphans, the financing of the purchase of sewing and embroidery machines for the widows and children of martyrs and prisoners, the provision of clothing and blankets to deprived children to the amount of 10 dinars to clothe one child and 7 dinars per child for blankets, and support and backing for seasonal projects organized by the committee. The committee receives contributions at its headquarters in the World Islamic Charitable Organization building in the al-Sharq area during morning and evening hours.

BAHRAIN

Bahrain Summit Calls for GCC Economic Integration

44040269B Manama AKHBAR AL-KHALIJ in Arabic
19 Feb 89 p 11

[Article by Osamah Mahran: "Bahrain Summit Economic Resolutions: What Do They Offer Investors in the Region?"]

[Text] AKHBAR AL-KHALIJ learned that Gulf Cooperation Council [GCC] summit economic resolutions, adopted in Bahrain last December and scheduled for implementation 1 March, have been referred to the Bahrain Ministry of State for Legal Affairs and other competent authorities to be put in finished legal form prior to review by the council of ministers. They would then be submitted to his royal highness, the Prince, for an Amiri decree.

The Bahrain GCC summit had approved the implementation of several joint economic measures including uniform rules governing ownership of stock companies by citizens of GCC states; a uniform system for the protection of GCC industrial output; the coordination and stimulation of industrial projects in GCC states; and uniform tax treatment of various GCC citizens.

Bahrain has been ahead in adopting such measures even before approval by the last summit. An example is allowing citizens of other GCC states to own Bahraini securities and deal in them.

The implementation of these resolutions next March is seen by observers as a step towards a Gulf common market, towards regionalizing GCC capital, and towards liberalizing the movement of capital and labor as well as titles, inheritance, trusts, and economic activity.

Mr Hasan Muhammad Zayn al-'Abidin, first deputy chairman of the Bahrain Chamber of Commerce and Industry, says that the Bahrain summit resolution allowing GCC citizens to hold and trade in shares will undoubtedly have a positive impact on stock markets in the region by creating new purchasing power. Providing such opportunities to investors in all GCC states is a bellwether of the Uniform Economic Agreement which held the [free] movement of capital as a major objective. Gulf-wide securities markets will act as a catalyst in regionalizing Gulf capital by focusing on GCC projects and corporations.

These are all encouraging developments that hopefully will have a long range influence on Gulf capital investment in general and stock investment in particular.

Noted businessman Ibrahim Zaynal believes that market expansion would benefit Bahraini investors, especially if a larger market presented better opportunities. This would be true of any market but especially so of limited Bahraini markets. The GCC summit resolution is therefore desirable and sound and would amalgamate various GCC economic sectors into a unified economic bloc.

But that, according to Mr. Ibrahim Zaynal, would depend on how clear matters will be stated and on coordination among various exchanges in the region, especially in the registration and transfer of stock owned by GCC citizens. By the same token, all GCC exchanges must be supported with adequate data on registered publicly held Gulf companies.

I emphasize here that there will be no injury to market makers, let's say at the Bahrain exchange, if their portfolios included shares of other GCC markets or if Kuwaiti market makers maintained portfolio holdings in Bahrain. Bahraini market makers would be able to maintain shares in any GCC market and vice versa. The resolution will facilitate the movement of capital between markets to participate in and stimulate stock markets.

I asked whether the first step in that direction should be to achieve complementarity among GCC stock exchanges before the summit resolutions are implemented. Or should these resolutions be carried out regardless of such complementarity?

Mr. Ibrahim Zaynal said that before answering the question I would like to point out that an exchange only sets clear fundamentals and specific rules for trading on stock markets. It is therefore feasible to implement the summit resolution allowing stock ownership and transfer among GCC citizens regardless of whether their countries have stock exchanges, provided that some agency, such as the ministries of finance, handle the task of organizing the activities of GCC stock market activities,

especially in controlling trades. The success of the resolution would depend on facilitating the transfer of ownership to GCC citizens and on the presence of adequate data on corporations in GCC states to allow for enlightened investment decisions.

38 New Industrial Projects Planned

44040269A Manama AKHBAR AL-KHALIJ in Arabic
10 Feb 89 p 1

[Article: "Thirty Eight New Industrial Projects"]

[Text] AL-KHALIJ obtained details of projects presented by the Ministry of Planning and Industry at a meeting called two days ago by prime minister His Royal Highness Shaykh Khalifah Ibn Salman Al Khalifah and attended by a number of ministers.

His Excellency Yusif Ahmad al-Shirawi, minister of planning and industry, submitted to the meeting a list of 38 industrial projects, some of which are still under study. Feasibility studies have been completed for the others.

It was learned that the projects will be implemented by Bahraini firms in cooperation with foreign firms from which the products are currently being imported. The goal is to manufacture the products locally instead of importing them from those same corporations. This would stimulate the Bahraini economy and restore equilibrium to the balance of trade and payments.

Responsible economic sources told AL-KHALIJ that the state has already begun implementing plans to transform Bahrain into a world industrial center serving the Gulf and the Middle East. When carried out, the aforementioned projects would cover local demand as well as the needs of neighboring markets within the region or outside of it.

The sources emphasized that competent Bahraini authorities are currently in contact with certain foreign manufacturers of imported goods to discuss the joint manufacture of these products locally instead of importing through agents.

It was also learned that the 38 projects ready for immediate implementation that were discussed at that important meeting with his highness, the prime minister, include plans to manufacture x-ray film, syringes, and other disposable medical supplies, aluminum boats, a management development center, and facilities to produce mirrors, exhaust fans, refrigerators, water heaters, television antennas, aluminum tubes and piping, soya bean treatment, computer tapes, intravenous solutions, water and electric meters, pressed wood, glue, carbon dioxide filtration, and flight containers as well as shampoos, creams, skin lotions and other famous brand

products presently imported by Bahrain and other countries of the region. The products will be manufactured in the country at their usual world standard, according to studies already completed and strategies already in place.

EGYPT

Government Begins Distribution of Higher-Priced Bread

45040263a Cairo AL-AHALI in Arabic 8 Mar 89 p 1

[Text] A responsible source in the Ministry of Supply has told AL-AHALI that, starting this July, production of the tabaqi flat loaf of bread priced at 5 piasters will become generalized, and the production of the regular, subsidized loaf of flat bread sold for 2 piasters will be discontinued. July was selected because it may be the month in which the new wage system currently being studied by the Ministry of Finance goes into effect.

The source added that the ministry is not responsible for the cessation in production of the regular flat loaf, and that it is merely carrying out the directives and policies of the government as established by the Cabinet. Nor is it responsible for the sale of the tabaqi loaf by several private bakery owners for ten piasters, as this is the task of the supply inspectors.

In its last meeting, the policies committee discussed the memorandum of the minister of supply regarding the development of the implementation of the government plan to gradually increase the number of bakeries producing tabaqi bread. The memorandum focused on completing the timetable for the generalization [of production] of the new flat loaf at the end of June, and it rejected the distribution of the tabaqi flat loaf during the month of March.

In a related development, the Ministry of Supply issued directives to all governors and supply administrations to increase the number of tabaqi bakeries by different percentages according to the nature of each governorate, such that in some governorates they totalled more than 90 percent, and in al-Daqahliyah, 60 bakeries were converted to produce the tabaqi loaf out of a total of 65 bakeries in the city of al-Mansurah. Also, in Aswan, Dr Ahmad 'Abd-al-Ghaffar, the first assistant minister of supply, issued directives to the supply administration to begin implementing production of the tabaqi flat loaf in the middle of March.

In al-Fayyum, the price of a sack of flour increased from 32 Egyptian pounds to 45 Egyptian pounds after the tabaqi loaf reached a large number of bakeries, and the appearance of long lines to buy bread.

In al-Sharqiyah, pressures exerted on Dr Mahmud al-Sharif, the governor of al-Sharqiyah, to produce the tabaqi flat loaf—which he had rejected for a long time—succeeded. The supply administration was surprised by

the citizens' lack of interest in purchasing it, which compelled the administration to distribute it [only] to the villages and towns of the governorate.

In a related development, production of the fino loaf priced at five piasters became generalized at all bakeries in the republic as of the first of March.

Government Attempts To Solve Bottlenecks in Commodity Sector

45040245A Cairo WATANI in Arabic 5 Mar 89 p 4

[Article by 'Izzat Sami: "Confronting Production Problems and Private-Sector Difficulties"]

[Text] We in Egypt are without doubt passing through an economic crisis. In itself, this is not something to be ashamed about. Many countries are passing through the same crisis. The difference is that there are people who strive to solve problems, while others cry over them. Every country must adapt its economy according to its own circumstances.

We in Egypt are striving in all possible ways to solve the economic crisis through which we are passing. However different and diverse these ways may be, the correct starting point is that only we ourselves will solve our crisis by increasing, supporting, and constantly developing production.

Efforts toward production are under way in all fields. All sides are participating to prepare an economic climate for development and increased production, thus helping the business sector—whether public, private, cooperative, or joint—carry out its role in a stable atmosphere that allows it to devote itself to the productive process.

Production the Duty of Everyone

It is therefore not at all in the national interest that there be a distinction in production between public, private, and joint sectors. The circumstances that form our present economic reality make the public sector vital and indispensable as a basic source of many essential commodities for the great mass of the people and as the main producer of many production requirements needed by other sectors, private or joint.

With its sense of responsibility, the government has realized this truth and has allowed the private sector the widest opportunities to take part in development and production efforts. In the 5-year development plan, it has allowed it an ambitious figure for investments, amounting to 18 billion pounds.

Before continuing, we must pause to state the following: If we do not discriminate between the various sectors in the duty to produce, there is all the more reason for us not to discriminate from the ideological point of view in the economy. We should stop describing one person as "rightist," another as "communist," and a third as

"socialist," etc. The economy in the entire world has changed in recent years, so that talk about economic ideologies has become past history.

According to this way of thinking, we want all efforts to be directed toward the development and production process in the country. We want to know our resources and work to solve our problems.

Private Sector Hemmed In

But how can the private sector contribute with its desired role in this regard? To begin with, we state that from the 1952 revolution to the present, 6,131 laws, 12,000 ministerial decisions, and 18,000 explanatory memoranda have been issued, all dealing with the private sector in one way or another.

One must ask how the private sector can surge forward and perform its desired development and production role when it is hemmed in by this dense jungle of laws, decisions, and explanatory memoranda.

Also, there are other problems that hinder the private sector and curb its progress and efforts. Perhaps the most prominent of these problems is reflected in the reluctance of investors to implement productive enterprises in the free zones.

Obstacles in the Free Zones

A memorandum by the Association of Egyptian Businessmen deals with this problem. It says that investors are taken by surprise when financial, economic, and regulatory decisions are issued that conflict with the approvals issued to enterprises working in the free zones; or they are granted certain rights and privileges guaranteed to them by Law 43 of 1974 (amended, with its executive regulation), and then these decisions have a retrograde effect on these enterprises.

For example, free zone investors were taken by surprise when the Internal Revenue Agency subjected storage projects to taxes, even though they were originally exempted.

The businessmen's association resisted and opposed this. It said that imposing taxes in free zones basically does away with the concept of free zones. The Internal Revenue Agency, however, persisted, forcing the association to turn to the Supreme Administrative Court, which issued the opinion that there was no legal right to impose taxes in free zones. But this was after much effort had been wasted to rectify this erroneous administrative action to which businessmen and investors had been subjected.

That is not all. There is always the Customs Bureau. It refuses to apply Section 37 of the investment code, which provides that on goods taken out of the free zone for domestic consumption, taxes and customs duties

should be paid as if these goods had been imported from overseas. On goods that contain domestic components, taxes should be paid based on the ratio of the foreign components that went into their manufacture.

The Customs Bureau also insists on counting losses as deficits. Companies are held responsible for them, without taking the nature of these losses into account.

Problems by the Dozen

That is not all. The Association of Egyptian Businessmen goes on in its memorandum to talk about many other problems that cause investors to flee from implementing production projects in the free zones. These include:

- The free zones set the rental value of projects' land too high.
- The free zones overcalculate the financial guaranty that these zones retain against possible claims upon established enterprises. This adds financial burdens, particularly since this guaranty is tantamount to freezing the sum in dollars, on which interest and bank fees are paid throughout the lifetime of the enterprise.
- Free-zone enterprise products that encounter marketing difficulties overseas are not allowed to be marketed domestically. This exposes industrial enterprises in the free zones to bankruptcy and closure.
- Approval of purchases of new machines and equipment, either for replacement or to deal with production line bottlenecks, even within the limits of allowed production capacity, takes a long time, sometimes even several months.
- Approval of a capital increase takes a long time, even if the increase involves no change in company goals or increase in its productive capacity. This impedes the company's production.

There are many other problems. Can these problems and obstacles help the private sector to invest and produce?

Importation

Another problem is related to importation. Importers are accused of being responsible for upsetting the balance of payments and harming the national economy. The foreign trade section of the Economy Ministry used to consider importers as a group of opportunists and profiteers! So says the businessmen's association.

The association confronts this issue in its memorandum, based on reports of the import rationalization committee and the Central Organization for General Mobilization and Statistics. It points out that these reports show that the value of imports in 1983-84, for example, was 7.155 billion pounds. Of this sum, 5.340 billion pounds went for importing primary and raw materials, intermediate materials, and investment commodities. About 1.420 billion pounds went for the importation of necessary government supported food commodities; i.e., about 75

percent of imports were directed toward the development, production, and service sectors, and 17 percent went for government supported food commodities. This means that imports of goods for production, services, and necessary food supplies amounted to about 92 percent of total imports.

Exports

Approval of credit facilities for importation by the private sector would enable this sector to carry out its role in development and production. However, approval of these import facilities for the private sector must be met by efforts by this sector to increase exports in order to serve the national economy.

Discussing this issue, the businessmen's association asked that two lists of Egyptian exports be established:

- Commodities forbidden to be exported
- Commodities permitted to be exported under specific conditions.

Export of everything else should be allowed without restriction. If compelling circumstances arise, leading the government to forbid the export of a particular commodity whose export was allowed, the decree should not be applicable to existing contracts, lest we lose our reputation with the countries with which we sign contracts.

To what extent has there been a response to these points?

Obstacles to Industrial Project Financing

Some of the problems that hinder private-sector industrial production enterprises are loan-related. These problems center around the bureaucratic obstacles imposed by the Industrial Development Bank, the agency entrusted with lending to owners of small and medium-sized industrial enterprises.

For example, we need only point out that obtaining a loan from this bank requires the completion of 47 operations, each of which goes through about 12 stages. Each stage requires documents and fees. The owner of the enterprise has a dreadful time getting his loan and loses a great deal of time, effort, and money. If he obtains the loan, he will be asked to pay interest of up to 20 percent on it—the highest interest rate in Egyptian banks. The result is that owners of enterprises prefer to run away.

These were merely examples of the obstacles and difficulties that hinder the private sector from performing its role in development and production. We are presenting them only in an earnest and honest attempt to diagnose part of the illness, so that it will be easier to prescribe the remedy.

Encouraging Signs

There are encouraging positive signs. Perhaps the most prominent of them is the comprehensive study that the Economy Ministry is currently making of Egyptian commodity production by the public, private, and joint sectors. The goal is to analyze production elements and learn the problems that confront Egyptian industries: general or special problems, labor or training problems, product marketing, or problems of opening the field to Egyptian exports to foreign markets.

To date, these studies have been completed for about 40 commodities, including engineering equipment, transportation equipment, agricultural and food commodities, and consumer and intermediate goods.

To Support the Economy

A report on this subject prepared by Mr Ahmad Fu'ad al-Batriq, assistant minister of economy and foreign trade, mentions that the purpose of the comprehensive study of commodities that Egypt produces or consumes is an attempt to limit importation—i.e., reduce the deficit in the Egyptian balance of trade and balance of payments—provide for our needs by increasing the volume manufactured in our country, introduce intermediate [commodities] of Egyptian manufacture, and dispense with foreign components as much as possible.

Nearly 40 commodities and products have been studied in this way, based on information about the volume of total production, the volume of the country's requirements for these commodities, the volume of them exported, and the problems that hinder production.

Study of Problems and Difficulties

In light of this, a comprehensive study will be made of the problems and difficulties that confront production of each commodity. The study will then be submitted to the economy minister so that [problems] can be solved. Or it will be discussed in ministerial committees or the Committee on Economic Policies and Affairs, so that necessary measures can be taken to remove the causes of these problems, with the goal of realizing increased production.

If the commodity studies demonstrate that there is ample domestic production of a particular commodity, the import rationalization committees will be informed, so as to forbid importation of the commodity or increase the duty on it. This will protect the domestic product and give it a competitive advantage in the local market.

Three Aspects

Mr Ahmad Fu'ad al-Batriq mentions that these studies deal with three aspects:

- Inventorying Egyptian production, so as to work to increase, support, and develop it, and to solve the problems that hinder it.

- Commodity studies related to demands for rationalization and demands by producing agencies in the public, private, or investment sectors—demands to protect products from imports and to include them in import rationalization. There are about 30 studies in this category, each of them concluding with a statement of whether the government should undertake rationalization or not.
- Egypt's relations with foreign countries. Reports and data from Egyptian trade representatives overseas are analyzed and studied at all levels involved in exporting and importing, in order to learn the extent of the deficiency in export and how to remedy it so as to increase Egyptian commodity exports.

SLP Splits Over Islamic Trend Controversy

45040283 Cairo AKHIR SA'AH in Arabic
22 Mar 89 pp 52-53

[Article by Zakariya Abu-Haram: "Explosion in SLP"]

[Text] The series of disputes in the Socialist Labor Party [SLP] continues. The dispute began and the incident took place after election results were announced at the party's fifth general convention. The slate of 'Adil Husayn and the Islamists won; the slate of Ahmad Mujahid and the socialist block was defeated. The dispute grew and took the violent form of gunshots and firebombs. What are the latest developments in the dispute within the SLP? Why did the socialist front resort to breaking into party headquarters at Hada'iq al-Qubbah? What is the story of "the printing shop group" that participated in the break-in? Why did Ibrahim Shukri's supporters try to retake headquarters? Who fired the shots and threw the firebombs? What is the story of Majdi Ahmad Husayn's attempt to mediate between the two fronts? Why did the prosecutor's office free those who broke in? What is the authentic direction in the party? Which direction has legitimacy? Is it true that the party has turned into a religious party? What is the story about Jamal As'ad 'Abd-al-Mallak's being toppled in party elections?

Has it become an easy thing to depart from legitimacy and gain notoriety by breaking into the headquarters of the union, club, or party to which you belong, breaking the locks, and fastening the doors with chains, while people sleep? If someone in the right contemplates preventing you from it and bringing you back to your senses, is there nothing wrong with your using bullets, firebombs, or any implement of iron?

This is what actually happened in the lawyers' union.

It is what happened last week in the SLP, when nine dissident party youths went to party headquarters at Hada'iq al-Qubbah, seized them, locked them with iron chains, and prevented supporters of the party chairman from entering. Events developed with supporters of

Engineer Ibrahim Shukri trying to break into party headquarters at Hada'iq al-Qubbah, using sticks and flaming balls made of cloth. The dissidents who had taken refuge inside the headquarters opposed them. The police were able to separate them and arrest six persons. The prosecutor's office undertook an investigation and then ordered them freed on bond, having charged them with assembly, battery, and damage.

That was the picture of what happened in the SLP last week. But what is the root of the story? Why did the situation explode in this startling manner so far from democracy? Why was the SLP the scene of all these events? Who is responsible? How will this tangle be resolved?

Monitoring Suspicious Moves

Shawqi Khalid, assistant secretary general of the SLP and one of the three people expelled from the party, gave the following account of the story from the beginning:

"As members of the preparations committee for the party's fifth general convention, since December we have been monitoring attempts by self-styled Islamists to change all party organizations in a way that violates the rules and to exclude from the party all elements with a socialist tendency. The matter first became evident in Ismailia Governorate. As they have confessed, money was paid to bring non-party elements into party organizations and put through [membership] forms that were revealed to be falsified. Nevertheless, as far as Ismailia goes, the matter ended a month and a half later with what the party chairman has called "political decision-making."

"By a one-vote majority, the majority confirmed the chairman's point of view. Elections in al-Minya Governorate followed in January. Jamal As'ad 'Abd-al-Mallak, a member of the People's Assembly, went there and noticed that none of the organizations in al-Minya Governorate included party regulars. He asked these people about the date they had joined the party. It became clear to him that some of them rejected the idea of political parties, while others confessed that they had joined 3 days before the meeting. He invalidated the organizations and referred the matter to the preparations committee, not having resolved the situation. It was decided to exclude al-Minya from the voting. In al-Sharqiyah, Sa'd Lashin, a Muslim Brotherhood official in al-Sharqiyah, submitted forms for Brotherhood members, on the pretext of backing Ibrahim Shukri—as if there were a candidate competing with him. The committees of al-Sharqiyah Governorate were formed from these elements.

"However, 3 weeks before the fifth general convention, we were surprised by a change in these formations. The grand master of the Muslim Brotherhood was said to have refused to permit Muslim Brothers to enter the party. We appreciated this stand by the Brotherhood and

considered it an honorable one. However, we later discovered that these formations, numbering 86 individuals, came to the convention and voted surreptitiously."

Convention Slogan

Shawqi Khalid continued his account as follows: "Before the beginning of the general convention, 'Adil Husayn, editor-in-chief of AL-SHA'B, refused to publish the names of general convention members according to the rules, on the pretext that space would not permit it. At the same time, Majdi Ahmad Husayn stated that the names of members of party organizations should not be published, lest state security learn the names. Our reply to him was that we were a public party, not a secret one, and that the names should be published. Also, there was a retreat from a unanimously passed decision signed by Fu'ad Hadiyah and 'Abd-al-Hamid Barakat concerning cards to attend the convention, on the pretext that this represented lack of confidence on our part in the person of the secretary of the organization. The chairman of the party decided to guarantee the honesty of the elections and that they would take place by personal identity card together with a convention card.

"On 18 February 1989, 2 weeks before the convention began its activities, the party's high committee met to discuss the convention theme. 'Adil Husayn stood up to say that we were a religious party—that we had been astray, but now were on the right road. Members of the high committee were forced to interrupt him, and the party chairmen intervened to silence him.

"Dr Muhammad al-'Azazi, a member of the high committee, spoke, saying, 'This theme, if it is to be implemented, will oblige us to spend years in making specialized studies about solving Egypt's problems from an Islamic perspective. Islam is too great to be used as a political slogan.' I spoke about the danger of raising this slogan. I called attention to the fact that a few days ago the public prosecutor for crimes involving exploitation had issued an announcement of the founding of the Christian Social Peace Party. I said that this party was a reaction to Christian Social Peace Party and 16 members spoke after me in the same vein. However, we were taken by surprise when, on the Tuesday following the meeting, in a precedent that turned away from the history of party activity in Egypt, AL-SHA'B published something to the effect that five members of the high committee (Dr al-'Azazi, Shawqi Khalid, Fu'ad Hadiyah, Karimah Hafiz, and Dr 'Ali Nassar) had rejected the party's Islamic identity. The newspaper represented us as non-believers and as having a reckoning to make with the Islamists on convention day. We were indeed surprised when at the general convention Engineer Ibrahim Shukri announced his total alignment with what he called the Islamists and threatened to resign if they did not win. He repeated the same expressions as 'Adil Husayn: namely,

that we were engaged in defaming the party. Elections were held. The slate of 'Adil Husayn and the Islamists won. The slate of Ahmad Mujahid and the socialist front lost."

Shawqi Khalid continued his account: "Last Tuesday, AL-SHA'B came out with a gravely worded headline in the form of a declaration of war announcing the arrival of the Islamists, along with some pictures insulting Ahmad Mujahid as deputy chairman of the party and accusing him of sabotage. In his article, entitled "The Saboteurs Have Fallen," 'Adil Husayn implied that all those who had been toppled from the executive committee were saboteurs. He attacked us personally and stated that they [he and his people] were the authentic tendency. However, he contradicted himself when he confessed in the same article that he had joined the party late in 1986, i.e., at a date subsequent to all those whom he had called saboteurs."

Shots Fired

"We had to reply to what the newspaper had stated and prepare to complete the activities of the general convention under pressure and insistence by the party base, fearing that time might slip away from us. So we went to party headquarters at Hada'iq al-Qubbah and entered. While a group of party youth was present, there was an attempted break-in led by Engineer Ahmad Shukri. The party youth opposed them. A worker was forced to fire shots and notify the police through the neighbors. We wrote up a formal report at Hada'iq al-Qubbah police station and asked that the building be protected from any similar attempt to break in. Last Friday, we held a press conference, at which Ahmad Mujahid announced that the completion of the general convention would take place on March 31.

"Majdi Ahmad Husayn came to party headquarters and reported that Engineer Ibrahim Shukri had delegated him to hold talks and set a time for a joint meeting. This took place hours after the issuance of the decision expelling Ahmad Mujahid, People's Assembly Member 'Adil Wali, and Shawqi Khalid. After 4 hours of talks, Majdi Ahmad Husayn left, with the understanding that we would reply to him in 48 hours. This was in order to get the opinion of the members of the convention preparation committee on the basis of our not being able to take any position without consulting the party base.

"Among the things that Majdi Ahmad Husayn stated to us in his conversation with us were that the expulsion decision was unsound, that what AL-SHA'B had published had gone beyond the facts, and that care was necessary to unite the ranks of the party. He proposed a procedure (in violation of the rules)—namely, that 10 members from the socialist tendency could be chosen and added to the party's executive committee, these to include the People's Assembly deputies. He confessed

that it had been a mistake to topple Jamal As'ad 'Abd-al-Mallak in general convention elections and that his overthrow would give the party a religious and racist coloring.

"At 10 am on Saturday, the members present at party headquarters in Hada'iq al-Qubbah were surprised by shouts of "God is most great!" Fireballs were hurled at party headquarters and there was an attempt to break through the fences. Some of them were able to enter the garden of party [headquarters] carrying sharpened pieces of iron. One of them tried to stab me with one of these. However, they were unable to enter party [headquarters]. The police intervened. They arrested a group of these people; the rest fled."

Incidents of Fraud

Fu'ad Ahmad Hadiyah, the SLP's financial affairs secretary and a supporter of the socialist tendency, described the events as a plot to take over the party and turn it from a mass political party into a religious party. "This violates the Constitution, and we reject it. The plot began when committee formations in the provinces began work in preparation for the general convention. When the convention preparation committee assigned me to investigate challenges presented from five committees in Ismailia Governorate, I presented my report to the committee for considering challenges. The report confirmed many cases of fraud involving membership forms and the conduct of elections. As a result, elements having no connection with the SLP had been introduced. These elements had come to be the ones that formed the office structures of these committees. The aim was to give them legitimacy to attend the general convention and implement the plot to take over the party. I therefore asked the party chairman to provide guarantees that executive committee elections would be without forgery or fraud. I summed up these guarantees as involving what was personally demanded of government agencies in all elections generally—namely, valid membership of the voter, and confirmation of his identity at the convention through examination of his personal identity card, not merely his convention ticket. Nothing, however, was implemented. When elections began at the general convention, candidates were not allowed to have their representatives present in the subcommittees, as is the practice followed in any election, nor were these representatives allowed to be present during the vote counting. Furthermore, the elections took place in an atmosphere that was very far from secrecy. In the absence of surveillance of these committees, fraud took place."

People Who Have Departed From the Party

On the other hand, 'Abd-al-Hamid Barakat, the SLP secretary general, stated that those who broke into SLP party headquarters were a group of people who had departed from the party—either people who had been expelled or suspended from membership, or people who

were not party members. This group was well known for being ready to act in such matters and was called "the printing shop group." This was the group that stood in front of general convention headquarters on 9 March shouting slogans against the party leadership. The group tried to attack Engineer Ibrahim Shukri, Majdi Ahmad Husayn, and 'Abd-al-Hamid Barakat. One of them even pretended to have a party card and burned it publicly in front of the crowd, disowning the party.

'Abd-al-Hamid Barakat added: "Who were the people who participated in the break-in and the press conference that they held at party headquarters in Hada'iq al-Qubbah? There was Abu-al-Fadl al-Jizawi, expelled from the party in 1987. He seems to have come to settle accounts with those who expelled him, following a method like the one that was used in the lawyers' union. (He is a lawyer and a personal friend of Ahmad Nasir, who led the break-in at the lawyers' union.)"

AKHIR SA'AH asked: "But didn't you use the same method? Didn't you attempt to break into headquarters by force?"

'Abd-al-Hamid Barakat said: "The group that went to party headquarters at Hada'iq al-Qubbah last Saturday went because there were rumors that Engineer Ibrahim Shukri would go to the headquarters at 10 am on Saturday. They went to greet him and protect him. When Engineer Ibrahim Shukri did not arrive, they entered by jumping the fences, because the gate was locked. Firebombs were hurled at them inside the headquarters and shots were fired from inside. This confirms what Shawqi Khalid said on Friday: 'We will kill anyone who comes here!'"

Story of Mediation Efforts

What about the mediation undertaken by Majdi Ahmad Husayn and others?

'Abd-al-Hamid Barakat said, "We abide by the instructions of Engineer Ibrahim Shukri and Dr Muhammad Hilmi Murad, who have stated that we are not proponents of violence. In cases such as these, we have recourse to the party rules and the law. Majdi Ahmad Husayn's mediation effort came as a personal initiative of his. He contacted the leader of the printing shop group and agreed to go to party headquarters at Hada'iq al-Qubbah alone. He in fact met them. With them were Ahmad Mujahid, Shawqi Khalid, and Fu'ad Hadiyah. A conversation indeed took place about ending the occupation and opening the door, in return for listening to their points of view."

About cases of fraud in general convention elections, 'Abd-al-Hamid Barakat said, "Ahmad Mujahid spoke to members of the general convention after the election results were announced. He said, in a word, 'We are not casting doubt on the result that has been announced nor on its being a normal result in doubtful procedures.'

Shawqi Khalid supervised the elections of Alexandria, al-Buhayrah, al-Minufiyah, al-Gharbiyah, al-Qalyubiyah, and Qina. Fu'ad Hadiyah supervised the elections of al-Daqahliyah and al-Jizah; and the Cairo and Port Sa'id elections took place in their presence. Furthermore, the preparation committee, with Ahmad Mujahid, Shawqi Khalid, and Fu'ad Hadiyah present, approved the elections of Aswan, Qina, Sawhaj, Asyut, the New Valley, Bani Suwayf, al-Fayyum, Suez, and al-Sharqiyah. The dispute was about the Cairo and al-Minya elections. Jamal As'ad 'Abd-al-Mallak supervised the al-Minya elections, and no challenges from him reached us."

Recounting how the general convention was adjourned before finishing all its proceedings, 'Abd-al-Hamid Barakat said, "Before the beginning of the general convention, we were informed of attempts to sabotage it— attempts led by the printing shop group and Muhammad Abu-al-Fadl al-Jizawi. This led us to exercise careful control over the entry of members into convention headquarters. We denied entry to any person who was not a member of the convention. The election process took all of Thursday and until 2 pm on Friday. During the vote count, there were attempts to shout down and disturb Engineer Ibrahim Shukri. Some of the losers and their supporters, such as 'Adil Wali, Sa'id Kamil, and the supporters of Ahmad Mujahid, shouted slogans against the party. Out of fear that things would get out of control and that convention headquarters might turn into a battleground with unsavory consequences, and in accordance with the rules, which provide that the high committee exercises authority over the general convention between sessions, and also out of concern for the safety of all convention members, we thought it best to refer the rest of the agenda to the high committee and end the convention, so as to deprive those who wanted to take advantage."

Who Is in the Right?

When different factions collide and disagreement becomes severe, each side and faction claims to have the right and legitimacy on its side—that it is the authentic tendency and the original one.

What is the authentic tendency in the SLP? To use terms imposed by the heated current events in the SLP, who is in the right?

'Adil Husayn, who is described as the architect of the Islamic tendency in the SLP, said, "We have always refused to say that there are two tendencies in the SLP. Anyone who pays attention to what was published in the last issue of the SLP newspaper, will notice that we talk about the victory of the SLP's Islamic tendency; we did not say 'the Islamic tendency within the SLP.' The first expression means that the SLP is in origin, composition, and leadership an Islamic party. Had we said that the Islamic tendency had won within the SLP, that would have meant that within the party there is more than one

tendency and that one particular tendency, the Islamic, had defeated another tendency, the one they call socialist. The real picture is that the SLP, as I said, is in origin and leadership an Islamic party, although a minority that does not agree with the party's principles has entered its ranks and wants to impose its view by force.

"This being the case, the defeat of this group and exposure of their sabotage does not mean that one tendency has overcome another one equal to it in strength. Rather, the authentic and broad tendency won against a minority that left this consensus. Proof of what we maintain is the fact that they are now saying that they are Islamists just like us. When they occupied party headquarters at Hada'iq al-Qubbah, they held up huge signs reading, 'God is most great!' and 'Islam and Islamic Socialism.' If only they are honest in all this! We hope they are.

"Where then is the disagreement between us and them? Whatever reason they had for raising these slogans and statements, whether they were sincere about these ideas or insincere, the whole idea behind their raising these slogans was that they completely agree with us that the Islamic tendency is the party's true identity and that their denial or ignoring of this identity was totally isolating them from the party base. So they agree with us that any positions hostile or opposed to the Islamic tendency are anomalous and doomed to fail."

AKHIR SA'AH replied: "But they say that we are all Muslims and that you have turned the party into a religious one. Indeed, in the statement that they issued after the elections, they intimated that you had rented out the party fully furnished to the Muslim Brotherhood.

'Adil Husayn said, "As for our all being Muslims, that is reasonable general talk. We do not reject it. We call no one a nonbeliever, unless he openly proclaims explicit unbelief. However, among Muslims there are some who think that Islam is an individual matter for which people will be called to account before God and that society has nothing to do with this question. Society has no right to work at spreading and implanting religious values. Society has no duty to regulate economic or social affairs according to principles derived from Islamic law.

"Briefly, some Muslims think their Islam does not oblige them to demand the establishment of an Islamic state. Those who hold this are not to be described as nonbelievers or as having left the [Islamic] community. They are to be described as worldly and secular. This is a term with a scientific meaning. The overwhelming majority of European political parties are based on secular or worldly principles. Also, many of the parties active in the Arab region, including Egypt, proclaim their belief that Islam and its law should be separated from matters of government and politics. We therefore describe them as worldly and secular parties. There is nothing wrong with that."

Religious Party

"As for turning the party into a religious party, I ask first what is meant by 'a religious party.' If what is meant is a party that thinks it necessary to root and implant religious values in the education of society, then in these terms we are definitely a religious party. We believe that our members should be religious, mindful of God in what they do openly and in secret, and devoted to carrying out the duties of worship and all the moral duties that religions impose. This is an old position, one that has been in existence since the birth of Young Egypt [Misr al-Fatat] in the thirties, and that has been confirmed in the SLP's program since the birth of the party.

"This position is not incompatible with the law or the Constitution. What the law rejects is that a party rest on a sectarian basis and that it discriminate between citizens in regard to rights and duties on the basis of their religions or colors. Naturally, we are against such discrimination. Our party is open to all Egyptians—Muslims and Copts.

"If what is meant by 'a religious party' is that we are a party that demands the application of the shari'ah, we see no shame in that, nor have we departed from the Constitution. Indeed, whoever holds anything different from what we hold is the one who has departed from the Constitution, which specifically states that the Islamic shari'ah is the fundamental source of legislation.

"As for the question of the Muslim Brotherhood, the fact of the matter is that the Brotherhood strongly rejects being called a labor party. They correctly hold that they have a peculiar vision of their own and that they are an organization with a long history. They are convinced that they should have their own party and that its name should be 'the Muslim Brotherhood.'"

SLP Program

On the other side, Shawqi Khalid thinks that the authentic tendency of the SLP is the SLP program approved by the political parties committee. This program includes the fact that the basis of the party's socialism is Islamic in origin. "This is the contract under which I think we joined the party. After 'Adil Husayn entered and turned from being a communist into a believer, he imagined that others were like himself and that he had to bring them back to religion. So he opened the pages of AL-SHA'B to increasing doses of Islamic ideas and to some Muslim Brotherhood writers. He began to get rid of all newspaper personnel who were old party elements and sought assistance from a group of 84 journalists from Islamic groups. This was at a time when the newspaper's circulation dropped from 120,000 to 35,000 copies despite an alliance under which circulation should have increased. There is a difference between the party's tendency being socialist based on Islam, and the party's being religious and forbidding those whom it calls secularists or worldly from joining. The holders of the latter

tendency confirm the party's racism by having toppled Jamal As'ad 'Abd-al-Mallak as a Christian and member of the People's Assembly. This moves us in another direction. It imposes a religious party as an accomplished fact, thus threatening national unity and violating the Constitution, the law, and the political parties act."

On this point—the toppling of Jamal As'ad 'Abd-al-Mallak in the elections—'Adil Husayn said, "I think Jamal As'ad's defeat in recent party elections was a great loss. I want to say that those who call themselves the socialist front did not cast their votes for Jamal As'ad."

Scholars Discuss State of Freedom of Press
45040263B Cairo AL-AHALI in Arabic 8 Mar 89 p 7

[Text] Alexandria—AL-AHALI correspondent—The influential writer, Ahmad Baha'al-Din, has called for the freedom to publish newspapers, labeling incorrect the claim that the newspapers are currently the property of the people, and has affirmed that much of the state-subordinated media, especially television, helps to spread confusion. He made these statements at a conference held last week on "the media, public opinion and the crisis of trust," which was sponsored by the Faculty Club at the University of Alexandria.

Dr Nabil Hashim, the club's president, opened the conference by stating that there is strong foreboding regarding the future of the allowed margin of freedom and the practice of what we can designate, albeit figuratively, as democracy. He added that Egypt is currently at a crossroads, and is experiencing decisive times, inasmuch as the fate of Egyptian life in the coming years and generations will be decided. Therefore, the responsibility falls on the shoulders of everyone, each at his own station.

Dr Hashim stated that the nightmare of arbitrary and oppressive practices, both physical and mental, has begun to rear its ugly head. He added that the people must affirm their call for the expansion of the margin of freedom so that democracy becomes real. This is not negotiable.

In his talk, Ahmad Baha'al-Din stated that he is more displeased with the media practices than the others present. Distrust is a general topic between the citizen and any existing power, for Egyptian society had lived long centuries plundered and dispossessed. He cited an example of distrust, stating that the first speech given by Sa'd Zaghlul, when the first Egyptian ministry was formed, confronted this problem, inasmuch as he stated in his speech that the goal of the government is to make the people view the it as an army views its commander, not as a bird views a hunter. Unfortunately, the look of distrust is still prevalent even today. The same look of hostility and distrust once applied to feudal lords is now applied to cooperative employees and many officials in different places in the Egyptian countryside. The citizen

does not know anything about Egypt's debts, and feels that he is being cheated regarding education, medical care, and high prices. Every day, he hears news about the theft of public funds in the tens of millions. Knowledge is the basis of democracy. Without knowledge, it is not possible to express one's opinion.

He said that the Press Organization Law issued in 1960 contained attractive stipulations, but was developed to benefit authority. He added that the current claim that the newspapers are owned by the people is incorrect. The executive power controls them, and the Shura Council has no opinion. It is not consulted, and a list of appointees is sent to it solely for its confirmation. He stated that censorship is not present in its old form.

He stated that, "I personally do not perceive any censorship regarding what I write, but the general guidance of any newspaper is a very important matter. It is the framework within which the editor-in-chief acts independently, yet is indebted to the state for his position."

Regarding the situation of journalists, he stated that the journalist feels that his future is not linked to his ability, but to his external relations with authority. The representatives of the newspapers at the ministries have become the representatives of the ministries at the newspapers.

He stated that the absence of financial monitoring [passage omitted] He said that it arises from waste, unsound financial practices, and a lack of monitoring. There are large [press] institutions which are tens of millions of pounds in debt, and every month, the state pays them the salaries of their writers. The state is not disturbed by this, but welcomes it, because the writers will always be under its control.

Baha'al-Din stated that no new newspapers have appeared for 30 years, because the leaders of the institutions have become oriented toward real-estate development and non-journalistic activities. He stated that the objective of the Press Organization Law of 1960 was to prevent capital from controlling the press. The law has not prevented the press from introducing local and foreign capital at present. The fact that capital has control over newspapers even though they are public property is clarified by the al-Rayyan case, the printing contracts with institutions worth tens of millions, the prevention of publication, and the subject of Shaykh al-Fasi, which was published as news even though it was a paid advertisement.

He stated that the opposition newspapers are an important step forward, and that their activity is influencing the work of the national newspapers. However, they also have negative factors, the most important of which is the dissemination of news without mentioning names, as for example, "a famous businessman seized tens of millions of Egyptian pounds from a well-known bank, and traveled abroad with the help of a noted employee." The

prevalence of this type of news is an exceedingly negative matter, which spreads confusion, does not benefit the reader, and does not promote accuracy. Things must be called by their proper names. This is crucial to the reliability of the newspaper and the avoidance of confusion.

He stated that other media also cause confusion, especially television, which facilitates the spread of excessive consumption, and arouses the feelings of average people. Likewise, no one listens to religious discussions, 90 percent of which concern applied versus theoretical Islamic law, discussions regarding manicuring and hair styling, and whether ritual ablution before prayer has become obsolete, while neglecting basic issues in Islam, such as justice, equality, independent legal or theological judgement, enlightenment and progress.

Baha'-al-Din concluded by calling for the freedom to publish newspapers and for amending the law, because the stipulations contained in it impede the publication of any newspaper.

Numerous professors from the university were allowed to speak.

Dr Mahmud Fahmi stated that there are issues not mentioned by Baha'-al-Din which do not provoke enthusiasm, such as torture and oppression. He called on parliament to discuss these issues with a level of enthusiasm commensurate with their importance.

Dr Hasan al-Sharqawi stated that there are clear directives prohibiting the professors of the university from publishing an opposing view.

Dr Ashraf Bayyumi spoke of the lack of scientific reliability of what is published in the national newspapers. He stated that the newspapers have been transformed into propaganda for officials—regurgitated propaganda which controls the entire range of the press—so that these officials have become the decisionmakers on everything. Dr Sayyid 'Abd-al-Mu'ti advocated activating the principle of elections for every state institution, and he requested Baha'-al-Din to call for that and to describe what Zaki Badr, was up to. Dr Mustafa al-Mufti stated that relations with America are unnatural, adding that the newspapers are sympathetic toward America and publish news of it as if it were sacred. He stated that America is ruining the Egyptian economy, and that it is the cause of all our suffering. He stated that it has moreover become clear to him through his study that America is behind the absence of new Egyptian wheat cultivation in the Siwah and al-'Uwaynat areas, even though water is available there. He stated that he had asked a high-ranking official in the Ministry of Agriculture why wheat was not being cultivated there, and was told that the reason was a political decision.

Baha'-al-Din continued, stating that he initially had opposed the July Revolution, because it was an officers' movement, as in South America. However, when it became oriented toward justice and acquired a social aim partial to the people, he had supported it.

Regarding Islamic culture, he stated that there is a culture, which is partly international and which defends humanity, and that we should not be closed-minded or chauvinistic.

Dr Rif'at Laqushah stated that senior journalists who had become accustomed to deception and lying are no longer able to do that. He stated that there are foreign parties in Egypt who possess all the information and will therefore affect decisionmaking in Egypt, because officials in Egypt know nothing.

At the conclusion of the conference, Ahmad Baha'-al-Din responded to most of the remarks which were made and to points of disagreement between him and several professors present.

Writer Blames Gulf, U.S. Institutions for Bank Woes

45040265A Cairo AL-SHA'B in Arabic 7 Mar 89 p 4

[Article by Mahfuz 'Azzam]

[Text] Safwat al-Sharif, the minister of information, stated that the supreme committee for policies, in its meeting on 1 March 1989, discussed the situation of a number of investment banks operating in Egypt, and the policy of the Egyptian Central Bank to support them and assure their survival, whereas Dr Salah Hamid, the president of the Central Bank, affirmed the unsoundness of erroneous reports being published by several foreign newspapers that contain rumors casting doubt on the capabilities of several banks operating in Egypt, and which assumed the form of a tendentious campaign promoted by a number of individuals whose activities were curbed by Egypt and whose attempts to defraud the Egyptian economy were confronted by Egypt.

What is behind this statement issued by the Central Bank? Who unleashed and promoted the rumors? Which foreign parties and banks have an interest in that?

These questions keep running through one's mind. If we do not attend to them, they will, by their nature, have negative effects, because the people have become accustomed to mistrusting official statements, especially if they pertain to economic policy.

It is well-known that capital—it is said—is cowardly and sensitive to every statement, signal, or action. The people in Egypt are in the same situation as the Egyptians working in Arab countries. They paid an exorbitant price from their revenues, life savings, and even the basic sources on which they were living and making expenditures following the investment companies disaster. The

effect of what happened to these companies is clearly visible in the Egyptian market at present. Therefore, I would like to provide some details regarding the statements of the minister of information and the governor of the Egyptian Central Bank. I leave judgement of the rumors and official statements to the hard figures and statistics, which do not lie, are not pretty, and which put an end to this hubbub.

Before I offer the figures and statistics—which I intend to cite in a simplified, journalistic, and non-academic manner—I would like to deal with the circumstances under which these rumors were unleashed. Several months ago, following the end of the Gulf war, several foreign financial interests and sources exploited the anxiety being suffered by Egyptians working in the Arab countries after the case of al-Rayyan and the investment companies, and announced savings vehicles in American dollars in an attempt to attract Arab funds and savings, and to maintain them in the countries in which they operate. This goal coincided with an organized campaign of slander declared by an individual, along with several people whom he used, in an attack against one of the private banks. The cause of the slandering is the failure of this individual to become a member of the bank board and the failure of those whom he was using to obtain appointments to the executive apparatus of this bank. This is well known to everyone close to the matter. When a general meeting held on 12 January 1989 did not result in the achievement of their goals and the bank's financial statement was published indicating that it had realized the highest average profit of any bank in Egypt and the profits were actually distributed, they mailed letters to the bank's shareholders and depositors living in Arab countries or in Egypt, in which they discharged their poison and hatred, or more correctly, in which they carried out what was planned for them by foreign concerns in an attempt to damage this bank and to place its ability in doubt.

The Kuwaiti AL-ANBA' newspaper seized on a Central Bank report dealing with monetary and credit conditions in 1987-88, which acknowledged that the banking system in Egypt is facing a troublesome debt problem. Also, on 1 February 1989, it published a report written by its correspondent in Cairo which dealt with the al-Ahram Bank, the Merchants Bank, and the International Islamic Bank For Investment and Development, as well as the administrative problems in these banks and the struggle for power in one of them. The report then turned to the question of speculation in international markets being behind the replacement of the president of the Egyptian Faysal Islamic Bank, and the board chairman of the Merchants Bank at the start of 1987.

The attempt to link the Egyptian Faysal Islamic Bank with other banks facing the problem of troublesome bank debts was clear. Moreover, the attempt to deceive and to confuse the Egyptian Faysal Islamic Bank with the International Islamic Bank for Development was patently clear.

Perhaps the conspiracy and its sources can be clarified by the fact that a suspicious agency in Jersey City in America sent letters to the AL-AHRAM newspaper, the president's internal security advisor, the prime minister, the minister of economy, the president of the Central Bank, and all newspapers and pertinent magazines. These letters contained a response to an article written by Fahmi Huwaydi and published on 29 November 1988, in which it is stated that the Islamic banks attracted sectors of people to savings vehicles whom no one thought would ever be dealing with the banking system, and that the Islamic banks had amassed more than \$12 billion in savings. In its letter, this suspicious agency stated the following: "Or perhaps you want these banks to survive in Egypt and establish new Islamic companies that renew suspect words 'Islamic; permissible; usury'. Haven't you had enough of the wasteland of religious hallucination?" The suspect agency then poured out the cup of its wrath and hatred on the Egyptian Faysal Islamic Bank!

From this, it became clear that there are unseen lines between the suspect agencies in America and the foreign embassies which are insinuating the riskiness of Islamic banks and the need to be rid of them. [In a related development,] Gulf newspapers are publishing reports, which they seek to dispatch from Cairo, in which they confuse names in order to arouse confusion, doubt, and anxiety in Egyptians working abroad, and exploit them. Their plan corresponds to individuals who can be counted on the fingers of one hand, who are motivated by hatred and heretic tendencies following their failure to attain positions on the bank's board or senior executive positions in the bank.

This campaign, whose timing and objectives coincide with the affront to Islam caused by the publication of vile books such as "Satanic Verses," which revealed the truth of the West's feelings toward Islam and its values, obliged us to seek justice in the figures and statistical information pertaining to the Islamic banks and their role. This information is primarily contained in a study prepared and published by AL-AHRAM AL-IQTISADI on 20 February 1989, entitled "A Reading of the Combined Balance of 20 Islamic Banks and Financial Institutions." This study does not include all of the Islamic banks and financial institutions. It includes only the combined balance of only 20 Islamic banks and institutions that are members of the International Federation of Islamic Banks. It does not include the Islamic Dar al-Mal [House of Finance], the investment companies group, or the Pakistani banks. Samir Mustafa Mutawalli prepared this study based on the facts contained in the final authorized tables and annual reports of the 20 surveyed banks, according to their main financial offices on 31 December 1987.

Among the facts deduced by the study, we summarize the following: 1. The combined balance of the 20 banks increased to \$9.6627 billion, compared to \$8.4068 billion in the previous year.

2. The volume of deposits increased to \$8.2 billion compared to \$6.7918 billion dollars in the previous year.

3. Savings and investment accounts totalled \$7.4 billion.

4. The available funds of different investment accounts increased to \$8,323.3 million compared to \$7.0279 billion in the previous year.

5. Allocations for investment risks and other allocations increased from \$1.213 million to \$2.884 billion.

In addition, the study ranked the banks in terms of the volume of their balances, deposits, investments, distributable income, and return on property rights, and found that the Egyptian Faysal Islamic Bank is the highest-ranking of the Islamic banks in terms of income realized in 1407 A.H. [1987-88]

The aggregate balance of the 20 banks on 30 Dec 1407 A.H. [1988], which totalled \$9.6627 billion, or approximately 23.2 billion Egyptian pounds, indicates the strength of the Islamic Banks and financial institutions, which support each other and which are embraced by one federation. This has prompted the forces of evil inimical to Islam to attempt to incite doubt and rumors, hoping they might affect this powerful edifice. But is it not about time for that? The Islamic banking and economic system is no longer easily struck or besieged without the banking and monetary system in many countries being shaken.

Praise be to God. The veil has been lifted and the conspiracy has failed. The Islamic banks have emerged stronger than before. These conspiracies will only make them more determined to play their role in the service and development of Islamic society.

Article Questions Lack of Support for Sudanese Shari'ah

45040265B Cairo AL-SHA'B in Arabic 7 Mar 89 p 4

[Excerpt] [Passage omitted]

In this battle, it was necessary for Egypt to support the attempts of our people in northern Sudan to affirm their Arab-Islamic identity and their political efforts to counter the foreign plot that aids the southerners.

It was not necessary for Egypt to fight the southern rebels militarily or to support the northerners when they desired to impose arrogant or oppressive solutions on the population of the South. However, it was definitely necessary for Egypt to prevent the balance of forces from inclining heavily in favor of the southern rebels, taking

into account that all of the southerners are a minority in relation to the population of the North and there are more Muslims in the South than Christians speaking in the name of any group, including Garang's!

However, the government of Egypt took a different course based on an agreement between the Democratic Unionist Party (the party which has traditional relations with Egypt) and John Garang. It seemed that the axis of the agreement is based on combining all forces opposed to the imposition of Islam, starting from the communists and including the 38 parties currently being discussed by the official newspapers of Cairo. The Sudanese Army movement was also associated with this balance. Dr Milad [no title given] rejoiced, and said—with his friends—let democracy go to hell!

Why did the government of Egypt take this position?

The first reason is the foreign plot (which enjoys the blessing of America and the Soviet Union), which generally aims at striking Islam, and particularly at weakening the special Sudanese-Egyptian relationship, which is indisputably based on a common religious and cultural heritage.

However, the involvement of the government of Egypt in this plan is not solely attributable to the influence of the superpowers on our regional policy. The Islamic-Arab powers in northern Sudan have doubtlessly assisted, for their part, in pushing events in this direction. Perhaps matters have reached their current state because someone benefitted from the historical hostility between the Ansar [supporters of al-Sadiq al-Mahdi] and the people of Egypt (which is unjustified scientifically and in terms of Islam).

We reproach al-Sadiq al-Mahdi (a talented statesman) for the constant tension in Egyptian-Sudanese relations, and not for his partiality to the application of the shari'ah. We do not imagine that these two lines are inseparable or complementary!

We beseech God to grant our two peoples in Sudan and Egypt success in getting through these difficult days and we hope that relations do not deteriorate to the low level which they attained during the period in which Ja'far Numayri was deposed in April 1985.

Journalist Defends Libyan Motives for Making Chemical Weapons

44040261 Cairo AL-DIFA' in Arabic Feb 89 pp 6-9

[Article by Muhammad 'Abd-al-Mun'im]

[Text] A week ago, on 22 January, several days before the current issue of this magazine was issued, the western media—newspapers, magazines and radio and television broadcasts—focused on a report that a West German company had assisted Libya in the transformation of

Libyan military transport aircraft into fuel tankers for the aerial refueling of combat aircraft. The report added that a military source from the Pentagon had confirmed that U.S. reconnaissance methods were able to observe these aircraft in the air over the Mediterranean Sea as they refueled Libyan Mirage-5 fighter aircraft. The report, which took precedence in world news on that day, went on to emphasize that this development signifies that Libya is striving to increase the range of its fighter aircraft so that they can reach Israel!![punctuation as published]

We have no wish to defend Libya's policy and the actions of Mu'ammarr al-Qadhafi, which are characterized in most cases by extreme aggression against Egypt and its policy, which moreover developed into military clashes with Egypt in the era of the late leader, Anwar al-Sadat, and which would have also reached this point a number of times in the current period had it not been for President Mubarak's calming his ministers down, and his impervious patience. For all of the above reasons, we are as far as can be from defending the policy and actions of Libya, which have brought it problems and enmity which is as good as worldwide.

Nonetheless, in order to be objective, we maintain that even if this report is correct, it only means that Libya is attempting to increase the range of its fighters so that they can reach Israel, or other targets, while Israel—by virtue of the sophisticated quality of its F-16 and F-15 combat aircraft, and the large Boeing fuel tankers which it obtained from the United States years ago—currently can reach Libya, Tunisia, the entire Arab world, and even the heart of Asia (as demonstrated during the famous Entebbe operation). If we wish to be objective and nonaligned in our relations with all states, we cannot criticize a party which announces its overt hostility toward another party by attempting to come close to the latter's level of power!![punctuation as published]

If we leave aside this view, which was the focus of overdone attention in the final week of January, it is inevitable that we regress somewhat to when the crisis erupted over the Libyan plant, which Libya claims is a pharmaceutical plant, and which Washington affirms is a chemical weapons production plant established by Libya with assistance from a West German company!

Within this framework, based on our previous logic and expedient, namely objectivity, we—despite our disagreement with Libya's policy, our reservations regarding the existence of these dangerous weapons which are considered weapons of mass destruction in the hands of irresponsible leaders, and our extreme reservations concerning the location of these weapons directly on our western borders—we again maintain that we cannot focus on Libya's attempt to acquire these weapons just because they are weapons of mass destruction, when Israel actually possesses true weapons of mass destruction, embodied in a large, unknown number of nuclear weapons and delivery systems for these weapons, including surface-to-surface missiles.

More surprising than this is the fact that Israel has for a long time worked to acquire these weapons, yet we did not hear one report from the western world, or even the eastern bloc, about the testing of these weapons on their stockpiling inside Israel, until information on these dangerous weapons recently leaked out, after which their existence became an actual fact. However, Libya's mere modest attempt to acquire something which approximates such weapons alarms the entire world. In my opinion, this is nothing but the same bias from which we have suffered greatly in the past, and which has to a great extent helped to complicate and confuse matters, and impeded and delay solutions.

By the same logic, when Israel began to conduct tests to develop surface-to-surface missiles, no one heard anything about the testing of these strategic weapons despite the easiness with which information about such tests could be obtained covertly. The various media were prevented from receiving this information, which was treated with the utmost secrecy affecting state security!

When some moderate Arab states acquired surface-to-surface missiles which do not have the same capability, and paid millions of dollars for them, the world became greatly alarmed again. Moreover, its alarm grew appreciably when several moderate Arab states began attempting to manufacture these weapons. Protests began to be heard in the western world, and discussions were begun that resulted, for the first time, in conditions and constraints preventing these states from acquiring advanced technology for producing arms.

Within this framework, one cannot ignore the strong relationship between the highest state agencies and the media, through which comprehensive censorship primarily serving the state's strategic goals is carried out. Throughout the Libyan chemical plant crisis, the shooting down of two Libyan MiG-23 aircraft by American fighters, and the report on the aerial refueling of Libyan aircraft, we have seen how the western media contributed to creating a stir in the world, while contributing nothing regarding similar situations exceedingly more dangerous.

Nonetheless, we do not agree to the introduction to the states of the region of all types of weapons of mass destruction, especially if these states are ruled by unenlightened and irresponsible leaders. It is best to oppose this dangerous trend by dealing with the spirit of hostility hidden in many parts of the region, east and west. This spirit is providing the impetus for a dangerous arms race which is increasing the distress of all peoples of the region, as well as regional tension, instability and susceptibility to sudden conflagrations. We find this spirit of hostility hidden on both sides of the line, with no difference between here or there.

IRAQ

Director of Information on CBW Issues
44040306A London AL-HAWADITH in Arabic
17 Feb 89 p 37

[Interview with Salah Mukhtar: Anti-Iraqi Campaigns Targeted Against All Third-World Countries"; date and place not specified]

[Text] What is behind the firm stand Iraq has adopted vis-a-vis Israeli allegations threatening Iraq via Washington to attack a plant claimed to be dedicated to the production of biological weapons? How can one perceive the Iraqi reaction as expressed by the official spokesman who not only denied the allegation, but affirmed Iraq's readiness to retaliate against any threats the Israelis are contemplating to attack installations and establishments inside Iraqi territory under this or other pretenses.

The logic of Iraqi firmness raises an important fact which is that Iraqi military power and advanced capabilities gives it the ability nowadays to stand up to possible aggression at any time and to retaliate by available means which are many. Circumstances that prevented Iraq from retaliating against the Israeli aggression against the nuclear reactor which was dedicated to peaceful purposes have ceased to exist and Iraq is now able to direct effective blows to the Israeli depth at the right time and place. Perhaps this is what compelled the Israelis to back off, albeit a tactical and interim move.

To shed some light on the Iraqi scheme, AL-HAWADITH asked Salah Mukhtar, director general of information at the Ministry of Culture and Information, about the background of the Israeli allegations and the strategic goals behind raising them.

Mukhtar said: "With regard to reports published in the American press about Iraq possessing plants producing biological and bacterial weapons, it is clear that this allegation is part of a series of endeavors aimed at tarnishing Iraq's image in the world in an attempt to distort it on the one hand and to weaken the Iraqi position in the stalled Iran-Iraq negotiations to reach a peaceful agreement [on the other hand]."

He added: "Based on its military power, Iraq was expected to settle the war in its favor, going against endeavors by international forces to curb its power in an effort to extract concessions from it through outside pressures, via media campaigns in particular, with a view to granting Iran a political victory equal to Iraq's strategic military victory on the battle front or the ability to contain the effects of this victory."

[AL-HAWADITH] How do you explain these endeavors?

[Al-Mukhtar] One fact about the Gulf war points to an extremely important matter which is that when the concerned international sides became fully convinced in the summer of 1984 of Iraq's invincibility in the wake of a series of failed major attacks designed to invade it, with the assumption that they would ultimately succeed, when they became convinced that such a defeat was impossible, they raised the slogan of "ending the war with no winner and no loser," or, more accurately, if such a victory by Iraq was possible, the victor must be stopped from scoring a triumph and from defeating the weaker side!

This was the main and major obsession of superpower dealings and central strategy vis-a-vis the Gulf crisis. Consequently, regional and international calculations were based on the notion that the war would end with no victor and no vanquished. Events that occurred between April and July 1988, however, turned all these calculations upside down and accomplished an unavoidable fact, that the war ended with a winner and a loser.

[AL-HAWADITH] What was the reaction to that?

[Al-Mukhtar] The answer to this question can be found in the nature of those countries' conduct vis-a-vis what happened: since Iraq emerged the clear victor, an undesirable, unacceptable and unexpected result, the superpowers turned to a series of positions aimed at dwarfing the victory in order to grant Iran a so-called political victory at Iraq's expense. This idea was expressed by releasing reports accusing the Iraqi side of obstructing negotiations in Geneva by raising impossible demands which is absolutely not true and was strongly suggested by the Western media. Powers that were not pleased with Iraq's victory sought to add a new element to the pressure campaign by saying that the Iraqis would use their striking force against their brothers in the Gulf and elsewhere, an open play that has been refuted by the Arab brothers' awareness of the goals and intentions of this unjust campaign.

[AL-HAWADITH] Has this campaign been stopped?

[Al-Mukhtar] This campaign was meticulously organized, for when this falsehood was discredited, these powers came out with another deception claiming that Iraq was persecuting its citizens internally. This planned campaign was calculated by waging a media attack backed by specific governments claiming that Iraq has used chemical weapons against its Kurdish citizens. To the misfortune of this campaign's organizers, however, official testimonies were given at the height of the campaigns by the Turkish government and its medical committees, by international medical committees, by the Red Cross and by the UN affirming the lack of any material evidence of Iraq using such weapons. Add to that the testimony of 120 Arab and foreign journalists, representing all news and press agencies and world TV stations, who visited the area and saw for themselves that there was no sign of chemical weapon use, thus

refuting the bases of the campaign which died down for a while. These same powers came back to calmly play a well orchestrated role based on condemning and isolating Iraq and seeking to impose sanctions against it. One outcome of the new campaign was the agreement to hold in Paris an international conference on chemical weapons to condemn Iraq for allegedly possessing and using such weapons. The conference, however, ended in what may be regarded as a vindication of the Iraqi position, for it was unable to condemn Iraq directly or indirectly. Indeed, it can be said that the campaign's organizers were taken by surprise when Iraq, in cooperation with its Arab brothers, set off a bombshell at the conference by insisting on linking the banning and denunciation of chemical weapons in the Middle East region and the world to the ban on the possession of nuclear weapons in the Middle East region and the world as well. The conference concluded by establishing a point not included in its agenda, linking a ban on chemical weapons to the ban on nuclear weapons, thus inflicting a sure loss on Israel and Iran in this international conference.

When these campaigns ended in failure, these powers were expected to reaffirm the pressure scenario using new techniques, hence the campaign accusing Iraq of possessing biological weapons, the weakest of the successive campaigns because it was groundless.

[AL-HAWADITH] Has the rivalry between the United States and the Soviet Union in the production and stockpiling of banned weapons had an impact on these campaigns?

[Al-Mukhtar] Yes. It is known that military experts in the United States believe that the Soviet CBW stockpile is superior to the American one and with every passing year the gap is growing in favor of the Soviets. American strategists had two options: to enter into a race with the Soviet Union, an option that came up against strong opposition in Congress that refused to appropriate the necessary budget for it, thus forcing the United States to lean toward the second option which was to enter into negotiations with the Soviet side to ban the production and stockpiling of chemical weapons because the 1925 treaty banned only the use and not the production and stockpiling of chemical weapons.

Hence, a situation had to be contrived to give the United States a pretext to knock at the door of negotiations. The Gulf war provided the right opportunity to raise the issue of chemical weapon employment in such an overstated manner that it overshadowed the perils of war itself.

One irony is that at the height of the anti-chemical weapons campaign, certain superpowers embarked on the production of 1 million sophisticated chemical weapons, the epitome of international hypocrisy.

Another objective on which some superpowers are focusing is to prevent the third world from developing its capabilities, hence the occasional claims and allegations

aimed at impeding third world advancement by possessing sophisticated defensive capabilities to be used to face any aggression against its countries.

It is impossible to understand or accept a "logic" which allows powers to stockpile huge amounts of chemical and biological weapons, enough to annihilate the whole human race, while banning small and medium-sized countries from owning purely defensive weapons with the aim of protecting their existence and national sovereignty against outside threats.

Petrochemical Complex Under Construction
44040306B Manama AKHBAR AL-KHALIJ in Arabic
3 Feb 89 p 9

[Article: "Iraq Builds Largest Petrochemical Complex in Region With Output Value of Over \$1 Billion Annually"]

[Text] Iraq is building the largest petrochemical complex in the region with an anticipated output value of over \$1 billion a year based on current prices of such products.

The Iraqi Minister of Industry and Military Industrialization, Mr Husayn Kamil Hasan, in a statement broadcast by the Iraqi News Agency, said that the ministry is giving priority to this project and that 70 percent of the output will be designated for export in the early years.

He added that the project will produce 21 petrochemical products and labels [bitaqat] for a total of 1,500 million tons a year. He pointed out that in light of the new industrial development plan that emphasizes the need to speed up the establishment of major basic industrial projects, Iraq is implementing this project through the direct-implementation method whereby available national capabilities will be utilized to the fullest with the help of foreign expertise.

Mr Hasan said that the ministry has concluded a contract with a specialized international corporation to offer technical and executive advice and that the corporation's staff is now working with the Iraqi staff in all the various stages of contracting, supervision and operation.

Furthermore, the ministry has concluded a contract with another international corporation whereby work is continuing on basic and particular designs and the corporation will participate in the purchase of equipment and will offer to supervise the installation and operation of the complex's main unit, an ethylene unit with an output capacity of 420,000 tons a year.

The minister pointed out that plans to build 12 basic production units, not counting the service units, in 34 months have been completed and production is scheduled to get underway in 36 months. As for the other units, they will be built side by side with the basic units, but will be completed about 12 months after the main units are finished.

At the conclusion of his statement, he said that all private sector industries will benefit from the project's products which will include the boat-building industry, the electric appliance industry (central panels and home appliances), packing boxes, plastic wrapping bags, heat insulation material, tires, dyestuffs, panels, shoe heels, suitcases, pipes and pipe attachments, solvents, bottles, nylon thread, medical equipment, pharmaceuticals, adhesive material, the garment industry, glues, the detergent industry, industrial rubber, stabilizers and catalysts.

Reconstruction Efforts, Industrial Investment Company Described

44040308 Kuwait AL-SIYASAH in Arabic
11 Feb 89 p 8

[Text] The heads of the Gulf chambers of commerce, meeting in Muscat last week, decided to establish a Gulf-Iraqi joint stock holding company for industrial investment. For this purpose, they assigned the general secretariat of the Federation of Gulf Chambers, headquartered in Dammam, to hold contacts with the General Federation of Iraqi Chambers in order to prepare studies and ideas regarding the establishment of the company.

Gulf contractors have expressed their desire to participate in reconstruction efforts in Iraq following the end of the Iraqi-Iranian war as a means of helping to rebuild that heroic Arab country, which remained steadfast, victorious and economically viable during the eight years of the war. Observers believe that Iraq was financing war expenditures at an average cost of about \$5 billion per year. In addition, studies prepared by the Japanese Institute for Middle East Economy indicate that Iraqi losses during 1980-86 totalled \$226 billion, and that production losses during the war years amount to about \$43.4 billion, which is a substantial impetus for Iraq to expedite the implementation of suspended projects and to reactivate development.

Gulf contractors have hastened to form a large delegation to receive Iraqi officials and to discuss with them a joint reconstruction plan.

They organized a joint conference with the Iraqi Federation of Chambers of Commerce and Industry in cooperation with the Gulf Organization for Industrial Investments headquartered in Doha in Qatar, the Arab Investment Guarantee Organization headquartered in Kuwait, and numerous Gulf businessmen to determine the projects in which participation is possible. Iraq proposed 229 projects whose establishment can be aided by Gulf capital. Gulf Investors showed an interest in committing themselves to projects whose capital is estimated at \$17 million. In addition, the Saudi Cable Company held consultations with the Iraqi General Organization for Cables and Wires to establish a joint project.

Gulf contractors contributed advanced skills to the implementation of construction, road and bridge projects, as well as projects pertaining to civil and electrical installations during the financial boom period. They also applied their skills to the implementation of infrastructure projects in the GCC [Gulf Corporation Council] countries.

Circumstances now favor the start of direct negotiations under the supervision of the Gulf and Iraqi governments to remove obstacles pertaining to the method of payments and collection of due payments, and a government-guaranteed program to defray them.

Pressing Projects

The Gulf contractors prepared a list of projects in which participation is possible in 1989. The Iraqi government has allotted budgets for these projects as follows:

- \$645 million for basic installations for the city of Basrah in southern Iraq in the first phase of a plan to develop the city of Basrah, which requires a comprehensive plan costing an estimated \$484 million.
- \$193 million for a project to develop an electric power station, distribution networks, transformer stations and a control center.
- \$113 million for drainage installations, and \$21 million for the construction of several crossings and intersections on the main streets of Basrah. There are also a number of other projects, including the construction of a sports stadium in Basrah, the completion of the sewer system, the construction of crossings, the construction of a main post office building and road paving.

The Iraqi government also announced an ambitious plan to relieve crowding in the cities of southern Iraq. It allocated \$322 million for the construction of about 12,000 housing units and a 30-bed hospital for the new city.

In addition, a national committee was formed under the chairmanship of First Deputy Prime Minister Taha Husayn Ramadan to support the substantial construction work to rebuild the city of al-Faw. The committee will collect monetary and material contributions from Iraqis and Arab brothers, in view of the fact that al-Faw is a heroic Arab symbol. The Gulf delegation of contractors received answers to all the questions which they posed to Iraqi officials.

In their meeting with the minister of housing and construction regarding the importance of granting preference to Gulf contractors, especially since financing was being provided by Gulf sources, the minister stated that the basic criteria is price, and that when prices are equal, preference is given to Iraqis. He added that the countries which were in accord with Iraq during the war will be

given preference. He underscored the danger of relying on foreign consulting companies, especially since these companies plan a project according to the specifications available to them.

He made known that Iraq has advanced consulting companies and technical experience.

In their meeting with the minister of labor and social affairs, the minister responded to the inquiries of Gulf contractors regarding the employment of foreign workers, and the measures applied to such employment. He informed them that Iraq prefers Arab and skilled workers, and that a foreign worker may stay in Iraq for up to 5 years.

In their meeting with the governor of the Central Bank of Iraq, the discussion centered on the rights and benefits of contractors under the present circumstances. The minister of commerce explained to them the possibilities open to an investor in Iraq, the capabilities offered to facilitate the investment process, the rules and regulations pertaining to customs, the exemptions from customs duties granted in 1987 to all companies implementing projects in the country, and the waiver of taxes and duties granted to all industrial projects. He also indicated that the law does not permit any Arab or Gulf company to act as the agent of any foreign company in Iraq.

The minister of industry and military industrialization informed the Gulf contractors that an investor is not permitted to transfer more than 20 percent of his profits during a five-year period. He also told them that a free [trade] city and industrial cities would be established in [the governorate of] Basrah.

Iraq recently issued Law No. 46 of 1988 to encourage Arab investments in the establishment of many projects in Iraq, and to organize Arab investments in general in the fields of industry, agriculture, services and tourism. The law aims to support these projects and provide them with incentives and financial exemptions in order assure their development and input into the economic development process.

ISRAEL

Economic Difficulties on West Bank Described 44040241 Jerusalem AL-BAYADIR AL-SIYASI in Arabic 21 Jan 89 p 24

[Text] With the start of the new year, the Israeli government gave the citizens New Year's presents: it descended upon them like a thunderbolt or worse, raising the prices of essential foodstuffs from the moment the hands of the clock marked the end of 1988 and the birth of 1989. The rise in prices was dreadful, in that it varied between 12 to 26 percent. These presents have not ceased since the beginning of the new year, for in the first week it announced that the prices of other essential foodstuffs were being raised, just as with the start of the second

week the local media began to carry news of another wave of price hikes on several other products. It was as if the government this new year viewed the matter as an operation of programmed plunder of the citizens' pockets in order to fill the empty coffers of the Ministry of Finance. Those are the coffers which should have made the government think about dealing with the real reasons behind their emptiness, which are clear and obvious to everyone near and far, and are embodied in the need to deal with the existing political situation in the region, in conformance with the general international situation and the world stance towards the issue of the conflict in the region.

What concerns us about the price increases and the subsequent plunder of the citizens' pockets—the theft of a morsel of bread from the mouths of innocent children, keeping balm from getting to their wounds and leaving them to a fate that we do not wish for them—what concerns us is the suffering of the citizens in the occupied territories, especially since that government will offer its own citizens what will compensate them for the wave of exorbitant price hikes that keep on spreading and expanding in a number of areas. There are also social and trade-unionist establishments involved in putting pressure on the government to help its citizens. As for us in the occupied territories, we suffer the more severe and painful hardships in the circumstances in which we live day by day. They are never absent from the minds of our citizens day or night, for they are constantly thinking about ensuring a morsel of bread for their families that they might survive, hoping that this affliction might soon pass. Here we pose several questions on the motives behind raising prices in the occupied territories, and ask what can be done to meet this crisis, which we hope will not last so long that it affects all of the goals to which we aspire, and which have come to within arm's length or closer.

Many of the foodstuffs whose prices were raised in the local markets in accordance with the decrees of the Israeli government were raised by the merchants in many of the regions of the occupied territories by widely varying rates, according to the mood of the merchant and how greedy he is in the absence of price regulation. Doubtless this will make a certain party happy, since it will increase the hardship, misery and poverty of the people, as well as their anxiety over the fate of their lives and that of their children. Do those greedy merchants have a remnant of conscience that might be aroused, or moral or religious scruples that would shock them into returning to their senses and to the need to share a morsel of bread with the rest of the citizens? We are not asking them to sell their goods at a loss, for that is against our nature and traditions, but we are asking them to sell their goods at a reasonable profit that does not burden the citizens, and that there be a standard price for the various foodstuffs. As an example of that we might mention that a sack of flour used to sell, before the latest wave of price hikes, for an amount ranging between 32 and 36 shekels, but it has now risen to between 42 and 45

shekels, and this rise is more than it would have been according to the price set by the Israeli government. Likewise, a liter of milk is now sold by some merchants for 2 shekels and 40 agorots, whereas it is sold by someone else for 2 shekels. As for the price of eggs, a carton is now sold for amounts ranging between 7.5 and 8.5 shekels, despite the fact that the price of grade one eggs, according to government pricing, ought not to exceed 7.5 shekels. Most of what is sold in the stores is grade two or three; as for grade one, it is practically non-existent in those stores. In spite of that, they sell them at prices higher than the price of grade one. Here we wonder why there is all this exploitation under these circumstances?

The rise in prices brings us to the point where we must mention that there are responsible parties in some regions of the occupied territories that have taken upon themselves an important responsibility because of their sympathy for the citizens and the need to make things easier for them. Thus some of the merchants are still selling the goods that they have at the old prices with a very slight adjustment to correspond to the drop in the shekel thanks to the praiseworthy efforts which these responsible parties have made in urging responsible national consciousness among those merchants. They also go about setting reasonable prices for foodstuffs, such that the merchants in a region will sell the goods that they have at the same prices, so that the citizens will not have to depend on their shrewdness and their ability to bargain. We see that those parties are doing something fruitful and praiseworthy, and we hope that this phenomenon will spread throughout all the regions so that harmony and accord will prevail in our society so that the mission may continue.

Not long ago the exchange rate of the Jordanian dinar fell sharply in relation to the shekel, and it is known that the economic savings of the citizens in the occupied territories since 1967 have been in dinars. Indeed many of the merchants used to require that transactions be in dinars and not the shekel in order that they might make more profits. But now, following the drop in the exchange rate of the dinar with respect to the shekel, as well as the drop in its buying power, we see that merchants and others now deal in the shekel and not the dinar. It has reached the point that some doctors have changed their examination fees to shekels, so instead of 5 dinars it now takes 25 shekels, based on the old value of the shekel. This is nothing but a drain on the the citizens who sweat and toil all day for a few shekels, not knowing what they should spend them on—whether they should spend them on food and drink, or treatment, or lawyers, or fines and taxes, and so on.

What concerns us about this point is that many of the establishments pay their employees' salaries in dinars, while they receive the cost of their products in shekels, and the officials of these firms do not compensate the citizens for the drop in the value of the dinar, in particular the university establishments in the occupied

territories. These establishments, as the council for higher education admits, get their support from the American dollar, whose value has risen by a third with respect to the value of the dinar. But in spite of this, these establishments pay their employees' salaries in dinars without any compensation for them, even though they get the employees' salaries from the council on higher education in dollars according to the previous rate of exchange of the dinar when the dollar equalled 35-38 piasters. Now it equals 50 piasters, which constitutes a high profit for the officials of those university establishments. So where does this profit go? Moreover, those citizens bear an additional loss when they bring their salaries from Jordan, since the money changers take 6-12 percent of the value of the check. Therefore we wonder about the role of the council for higher education in this pressing matter which is causing many of those who have academic positions to think about leaving the country—and indeed some of them have already left. Above and beyond that, the council for higher education is authorized to waive tuition fees from the university students. In spite of that the universities, (those that are operating), take those fees. So where is the oversight of the council for higher education? An important point on this subject remains, and that is that some of the university administrations are laying off a number of employees as the current situation continues, on the pretext that the contract between the administration and the workers has ended. Is this lawful under the legal practice of the council for higher education, and where is its oversight and responsibility? Is it true that it is permissible under these circumstances to put these skills out into the unemployment market, forcing them to emigrate after they have expended great efforts to gradually bring them to the nation?

Many calls have been repeated from time to time from many parties to reduce residential rents by varying amounts of not less than 25 percent, and even though many of the citizens have proceeded to reduce rents on their residential and commercial properties out of their sympathy for the citizens or in response to these calls, many property owners still persist in taking rents in full and without reduction, without caring about the circumstances of the tenants. In fact they kick up a fuss if there is a delay of a few days. The greed of some landlords has grown such that they have started to impose rents in dollars or shekels instead of the dinar, and they try to compel the tenants in various ways to pay the difference in the lower value of the dinar by cutting off water and electricity or harrasing the tenant to force him to leave his dwelling. The landlord is then able to rent it at a price that he believes is right and in the currency he wants. We in turn say, where are the feelings of those people and where are their consciences? Let them fear God and look at the circumstances of the people and allow them to live with honor just as God has allowed them to live, lest the time arrive when repentance does not avail.

In conclusion, we all must stand shoulder to shoulder and support one another that we may get through this difficult economic period which we are experiencing.

There is no-one to help us but ourselves, and if we stand together we will get through it safe and sound. Otherwise the abyss is before us, and when it comes there will be harsh reckoning, and it will be hard on the exploiters, the greedy, and those who suck the blood of the people.

Druze Angered Over Accusatory Letter
44000485 Tel Aviv HA'ARETZ in Hebrew
24 Apr 89 p 2

[Text] Defense Minister Yitzhaq Rabin, Chief of General Staff Dan Shomron, Chief of Northern Command Yosi Peled, Commander of the Southern Lebanese Army Lahad, and senior officers came to Julis yesterday to call on Shaykh Amin Tarif and the Druze community on the occasion of the holiday of the prophet Shu'ib.

Yesterday community spokesman 'Ali Tarif received an anonymous letter postmarked Haifa, which threatened members of the (Druze) community serving in the IDF (Israel Defense Forces), and particularly in the wake of the Nakhalin incident (stating): "We very much hope that you and the sons of your community will wake up before it is too late. The crimes you continue to commit against humanity which you perform in the service of your master will not save you from the wrath of the masses, the widows, the orphans, nor the bereaved mothers that you leave behind you day after day. Your masters destroy the spirits of your sons, transforming them into hunting dogs and siccing them on the children, the elderly, and the women. Is this the commandments of your religion? Your masters will not stand at your side on judgment day. Don't be their Demjanjiks. The Demjanjiks are destined to come to judgment, even if it takes 50 years. Send this letter to whomever you want, perhaps it will help." 'Ali Tarif noted that of late the accusations against the military service of the Druze in the intifadah reached the community.

Shaykh Amin Tarif responded to the letter saying: "In the IDF there are no Druze and Jews, the IDF is the defending army of Israel, and a Druze soldier is like any other soldier. We, the Druze, oppose all violence from a religious standpoint; however, as the situation continues and worsens, they complain and say that we Druze are guilty."

The Defense Minister also said himself that there is no difference between a Druze soldier and a Jewish soldier in terms of carrying out orders, the IDF does what it deems appropriate regarding the intifadah-related incidents.

The U.S. ambassador, the heads of the Druze municipalities and the leaders of the community were present at the event. Shaykh Tarif requested of Ambassador Brown that the United States do all that it can to calm spirits in Lebanon.

Watches Set According To 'Palestine Time' Reportedly Smashed

44000481 Jerusalem THE JERUSALEM POST in English 25 Apr 89 p 12

[Article by Yehuda Litani and Joel Greenberg]

[Text] Palestinian residents of East Jerusalem, Ramallah, Bethlehem and Bayt Jala complained this week that their watches had been smashed by border policemen and IDF [Israel Defense Force] soldiers because they were set according to "Palestinian time."

The latest leaflet of the uprising leadership called on Palestinians to move their watches forward one hour on April 15th to mark summer time in the "state of Palestine."

Palestinians in various parts of the West Bank, East Jerusalem and also in the Gaza Strip are following the new summer time. Municipalities, East Jerusalem schools, shops, mosques and churches are reported to be following the new time schedules.

According to Palestinian reports there have been more than a dozen incidents in which troops broke watches of Palestinians with clubs. Soldiers or border policemen would ask passersby for the time and when given the "Palestinian time" would either smash the Palestinians' watches, or beat them, according to the reports.

An East Jerusalem resident of Silwan reported that two days ago, border policemen asked him for the time and when he answered "four o'clock" he was ordered to stand in the street for an hour until four o'clock Israel time.

Palestinian residents from the West Bank and East Jerusalem said yesterday that the new "Palestinian summer time" is yet another phenomenon of the intifadah, stressing the difference between Israel and the territories and "Palestinian independence."

Military sources said that the IDF would examine any specific complaints filed by Palestinians who have had their watches broken. The sources asserted that there is no military policy of breaking watches as punishment for following Palestinian summer time.

KUWAIT

Oil Cooperation Agreement Expected To Be Signed With USSR

44050295 Kuwait AL-SIYASAH in Arabic
13 Feb 89 p 9

[Article by Khalid Ahmad]

[Text] The Soviet Minister of Petroleum Industry, Vasily Aleksandrovich Dinkov, announced that his country supports OPEC efforts to stabilize oil prices in

world markets. He emphasized that the USSR always supports the struggle of a country which pursues political and economic independence.

The Soviet Minister, who arrived in the country yesterday afternoon at the head of a high-level oil delegation, stated that his discussions with his counterpart, Shaykh 'Ali al-Khalifah al-Sabah, will focus on ways to develop cooperation between Kuwait and the Soviet Union in the areas of oil exploration and drilling, and the development of oil wells.

V. Dinkov expected that his discussions with Kuwaiti officials would lead to positive results which would open encouraging horizons for cooperation in other areas.

The guest minister described relations between the Soviet Union and Kuwait as friendly, and stated that his visit to Kuwait is in response to an invitation extended by the Kuwaiti Minister of Oil, Shaykh 'Ali al-Khalifah. The visit by the Soviet Minister was preceded by a meeting in Moscow, and by meetings between technicians in preparation for the current meeting.

The Soviet Minister of Oil Industry indicated that his country supports the efforts of all oil-producing countries, and that he is fully prepared to cooperate with OPEC for the sake of stability in the oil market. He stated that this topic will be discussed with Shaykh 'Ali al-Khalifah during his current visit.

Minister Dinkov stated that his country covers its basic needs primarily through its own oil production. However, he stated that this does not mean that the Soviet Union will stand by idly regarding events in the world market.

He reported that a Soviet observer will attend a meeting of experts representing OPEC and non-OPEC producers in the British capital on 21 February 1989.

Minister Dinkov will meet with Shaykh 'Ali al-Khalifah al-Sabah at the Kuwaiti Oil Institute this morning to discuss ways to support oil relations between the two countries.

The guest minister and the delegation accompanying him will visit a number of oil installations, where they will be shown the achievements of the Petrochemical Industry Company, the Kuwait Petroleum Company, the al-Ahmadi Port Refinery, the export port, the artificial oil island, and the electrical pumping and water distillation station.

Informed oil sources stated to AL-SIYASAH that the Kuwaiti and Soviet parties are expected to sign an oil cooperation agreement during Minister Dinkov's stay in the country.

It should be noted that the Minister of Oil, Shaykh 'Ali al-Khalifah al-Adhbi al-Sabah, signed an economic cooperation protocol between the two countries in Moscow in February 1986, which stipulates the establishment of projects in the two countries, or projects in other countries. The two parties also agreed during that visit to exchange oil and petroleum products as a service yielding mutual benefits to both countries.

During his second visit to Moscow last October, Shaykh 'Ali al-Khalifah signed an agreement which stipulates the formation by the two countries of a permanent joint council to achieve economic cooperation and to prepare joint studies and economic and oil projects.

Last January, a delegation representing Kuwait, headed by the designated representative member for marketing affairs of the Kuwaiti Petroleum Institute, 'Abdallah al-Rumi, visited Moscow, and signed an agreement on the exchange of oil with Moscow, which covers the first half of the current year, and embraces a number of countries in Europe and the Middle East. The agreement was reached following the success of measures contained in a previous agreement on the exchange of oil and oil products between the two countries, according to which the Soviet Union agreed to supply oil and oil products to the countries of western Europe and North Africa according to the needs of Kuwait, and Kuwait agreed to supply oil and oil products to the countries of Asia and East Africa according to the needs of the Soviet Union.

The two parties exchanged around 150,000 tons of oil products last year for the benefit of their customers in implementation of this joint agreement, thereby reducing their transportation costs.

The reception held for the guest minister was attended by the Deputy Chairman of the Administrative Council of the Kuwaiti Petroleum Institute, 'Abdallah al-Razzaq Mala Husayn, the Deputy Minister of Oil, 'Abd-al-Rahman al-Sultan, the designated representative member for Marketing Affairs of the Kuwaiti Petroleum Institute, 'Abdallah al-Rumi, the Director of the Office of the Minister, Mazid Zabbal, and a number of senior officials in the institute.

Minister Dinkov was accompanied by the Soviet Deputy Minister of Oil Industry for the Affairs of Oil and Gas Installations, Mr Arakelyan, and a number of officials and technicians in the oil industries.

Kuwait-Iraq Trade Agreement Signed
44040296 Kuwait AL-SIYASAH in Arabic
13 Feb 89 p 9

[Text] The Minister of Commerce and Industry, Faysal 'Abd al-Razzaq al-Khalid, emphasized yesterday that the mutual understanding agreement which was signed by Kuwait and Iraq yesterday conforms with the aspirations

of political leaders in the two brother countries, and was in keeping with the capabilities of the two countries, and their neighboring geographical position.

The mutual understanding agreement, which pertains to commercial cooperation, was signed in Baghdad yesterday by Minister Khalid, and the Iraqi Minister of Commerce, Muhammad Mahdi Salih, during the visit in Iraq last week of His Excellency, the Crown Prince and Prime Minister, Shaykh Sa'd al-'Abdallah al-Salim al-Sabah, and the official delegation accompanying him.

The agreement calls for the development of commercial exchanges between the two countries by utilizing the possibilities offered by Kuwait's economic system, which relies on the role and activity of the private sector.

Minister al-Khalid stated to the Kuwaiti News Agency that the mutual understanding agreement pertaining to commerce is based on, and in accordance with, the results of a study of equivalent deals, which are in the scope of interests agreed on by the two sides. He added that the agreement encourages Kuwait to open a commercial center in Baghdad in order to support the development of commerce between the two brother countries. He indicated that the agreement also includes the activation of the activity of the Iraqi commercial center in Kuwait, and the organization of a Kuwaiti commercial week in Baghdad and an Iraqi commercial week in Kuwait with the understanding that the appropriate dates for these events during 1989 will be agreed to subsequently.

Regarding the private sector's role in commerce, the Minister of Commerce and Industry, Faysal al-Khalid, stated that the mutual understanding agreement includes an intensification of direct contacts on the level of the private sector in the two countries. The agreement also gives an important role to the General Federation of the Chambers of Commerce and Industry vis-a-vis the development of commerce between the two countries through the exchange of visits and marketing information, and the holding of joint conferences to develop information and commercial and investment policies applied in the two countries.

Regarding the economic field, Minister al-Khalid stated that the agreement contains a decision to study ways to boost the participation of Kuwaiti contractors in the implementation of projects announced in Iraq, either through direct participation in response to requests, or through partnerships formed with official and private Iraqi companies, contractors and investment companies.

He added that agreement was also reached on the exchange of ideas regarding the encouragement of Kuwaiti investors, both companies and individuals, to take advantage of the opportunities offered by Arab Investment Law 46 of 1988.

Minister Khalid indicated that this decision was reached through the mutual understanding agreement on the convening of a meeting of the Trade and Transit Committee during the next two months, to implement the concepts contained in the mutual understanding minutes, in preparation for the visit to Baghdad by the Kuwaiti minister of commerce and industry at the head of an economic delegation.

QATAR

Kuwaiti Defense Minister's Visit Reported 44040323C Doha AL-RAYAH in Arabic 15 Feb 89 p 3

[Interview with al-Shaykh Nawaf al-Ahmad, minister of defense by al-'Azab al-Tayyib: "My visit to Doha Exemplifies Cooperation, Coordination among GCC Countries; We Agreed with Iraq To Continue Talking and Exploring the Question of Working Out Borders between Two Countries; Yes, Question of Manufacturing Arab Weapons Is Crucial for National Arab Security; We Hope That Peace Will Prevail in Our Gulf Area in Particular and in Arab and Islamic Nation in General," in Doha, on 14 Feb—first three paragraphs are AL-RAYAH introduction]

[Text] The 3-day visit to Doha by His Excellency al-Shaykh Nawaf al-Ahmad al-Jabir al-Sabah, Kuwait's minister of defense, which ended before noon yesterday, did not exactly provide an ample opportunity to interview him. It may be because the minister's itinerary in Doha was full of meetings and talks with His Royal Highness al-Shaykh Khalifah ibn Hamad Al Thani, the prince of the land, and His Royal Highness Hamad ibn Khalifah Al Thani, the crown prince and minister of defense. And yet, His Excellency al-Shaykh Nawaf al-Ahmad al-Sabah was able to set aside some time, a few hours before his departure, so that AL-RAYAH could interview him. Kuwait's minister of defense discussed the most prominent results of his visit, and he talked about numerous issues and subjects which I brought up when I interviewed him in his suite at the Doha Sheraton Hotel.

Before I started the interview with his excellency I asked him about his impressions of Doha. As he spoke, the profound affection he felt was evident on his face and on his modest and noble features: "I visited Doha in 1984 when I was minister of internal affairs. I toured the city then and saw some of the progress that had been made in construction. Although I did not have time to travel in the city during this visit, I was able to observe that signs of progress and growth are much better than they were in 1984."

And now let's see the product of AL-RAYAH'S interview with his excellency, Kuwait's minister of defense.

[AL-RAYAH] What is the significance of your excellency's visit to Qatar at the present time?

[al-Sabah] I am visiting Qatar, my second country, at the generous invitation of my brother, His Highness al-Shaykh Hamad ibn Khalifah Al Thani, the crown prince of Qatar and minister of defense. This visit, which exemplifies the cooperation and coordination between the GCC [Gulf Cooperation Council] countries, gives us an opportunity to continue the consultations which take place every now and then between officials in those countries. Let me take this opportunity to repeat my appreciation for the warm welcome and the customary generous hospitality which was extended to me immediately by His Excellency and Royal Highness al-Shaykh Khalifah ibn Hamad Al Thani, the prince of Qatar, by his loyal crown prince and by the fraternal people of Qatar.

[AL-RAYAH] How would your excellency evaluate the cooperation and coordination which exist among GCC countries on military and security matters? Are you satisfied with the level of this cooperation?

[al-Sabah] There is no doubt that cooperation and coordination among the GCC countries do in fact exist. In our opinion such cooperation is necessary and inevitable because its presence is beneficial and important for all GCC members. In this regard we are striving for more of this cooperation and coordination.

[AL-RAYAH] Your Excellency, given the current prevailing tendency favoring a political settlement to the Iraq-Iran conflict, do you see a justification for the continued foreign military presence in the waters of the Gulf? And on a related matter, what do you think of the recent step that was taken to resume direct talks between Iraq and Iran? What do you think are the principles that constitute the bases for expediting a settlement to the Iraq-Iran conflict?

[al-Sabah] I would like to affirm that the only thing we in Kuwait are striving for is peace. We want peace to prevail in our Gulf area in particular and in the Arab and Islamic nation in general. In this regard, we hope that Iran and Iraq will achieve an understanding through direct negotiations, and we hope they will become good neighbors. This would undoubtedly give both countries the possibility for peaceful coexistence. Thus, stability in the area can be achieved.

[AL-RAYAH] What do you think the future will bring to relations between the Gulf and Iran in general, and between Kuwait and Iran in particular?

[al-Sabah] I would like to affirm that the future of Iranian-Arab relations in general is excellent. As far as relations between Iran and Kuwait are concerned, we have always been trying to strengthen relations between Kuwait and Iran by being good neighbors. We are trying to act in a manner that would yield prosperity and peace to both countries and to the area in general.

[AL-RAYAH] His highness the crown prince and prime minister of Kuwait visited Iraq recently. What was the outcome of that visit, especially with regard to working out the matter of the borders between Iraq and Iran?

[al-Sabah] The outcome of the recent visit to Iraq made by His Royal Highness al-Shaykh Sa'd al-'Abdallah al-Salim al-Sabah, Kuwait's crown prince and prime minister, was positive and good. The visit strengthened relations between Kuwait and Iraq. All the areas of cooperation between the two fraternal countries were considered, and the matter of working out the borders between Iraq and Kuwait was actually discussed during that visit. Both sides agreed to continue talking about this subject and exploring it.

[AL-RAYAH] Your excellency, the question of manufacturing Arab weapons has become a crucial issue for national Arab security. What is your view of this question? How can an Arab weapons industry be established and how can it stand up to the pressures exerted by weapons manufacturers in today's world?

[al-Sabah] I agree with this concept. The question of manufacturing weapons is actually a crucial question and a basic tenet in achieving Arab national security. This is something that Arabs everywhere seek and aspire to. We pray God that this objective and that aspiration be achieved for our Arab nation.

[AL-RAYAH] Your excellency, Kuwait has followed a policy of diversifying its weapons sources. In this regard some people think that following this policy could create problems, especially with regard to training and maintenance. What do you think about that?

[al-Sabah] In Kuwait, as you know, our policy is actually to procure our weapons from various sources. I can assure you that in this regard Kuwait encountered no problems which have to do with training or maintenance.

[AL-RAYAH] In the past Washington had declined to supply Kuwait with Maverick missiles for the American airplanes which Kuwait had purchased. Is any thought being given in Kuwait to ask for these missiles once again, or are you thinking of acquiring alternatives to them? How true is the news which is being reported about Kuwait trying to acquire new French airplanes for its air force?

[al-Sabah] Kuwait has actually acquired the number of Maverick missiles it had requested, and an announcement to that effect was made at the time. Regarding the second part of the question, let me repeat what I stated in my answer to the previous question. Kuwait is following a policy of procuring its weapons from various sources.

It was time for the minister's airplane to take off from Doha to Kuwait. I thanked him for giving AL-RAYAH that much of his time and for allowing the newspaper to interview him.

Arms Importing Countries Listed

44040323D Doha AL-RAYAH in Arabic 4 Mar 89 p 5

[Article: "First Study of Its Kind About Manufacturing and Selling Weapons in Africa; Despite Debts and Problems, Africa Spends \$3.5 Billion Annually on Weapons"]

[Text] The arms trade between countries is considered one of the world's unique phenomena because it is a commercial activity whose volume is difficult to estimate. This is because many countries are reluctant to publicize figures about the weapons they export or import.

And yet, a report published in 1982 by the American Agency for Arms Limitation and Disarmament estimated that arms exports in 1978 amounted to \$23 billion. The report also revealed that developing countries were spending about \$19 billion annually to purchase weapons. Today, it is estimated that the world's countries export weapons for about \$35 billion. The Third World's arms imports constitute approximately 70 percent of the world's arms imports. The African Continent, especially in the past few years, holds an important position among the continents that purchase modern weapons. Among Third World countries, African countries are the second largest arms importers. They spend 22 percent of the total amount of funds spent on weapons.

In addition, a number of African countries are now manufacturing and exporting weapons. Despite their economic burdens and problems, the governments of African countries are spending large sums of money to purchase and manufacture weapons. That is why analyzing the African countries' defense spending is the first step to be taken in order to understand the African weapons market.

African Countries' Defense Spending

In most African countries spending on defense matters has been rising steadily since the seventies. In the early eighties defense spending started to decline in a number of African countries because of economic problems. Between 1980 and 1984 even the oil exporting countries in Africa had to limit their spending by an estimated 10 percent because world oil prices were not stable.

However, a detailed analysis of military spending during the period between 1980 and 1987 provides a somewhat different picture. Because of the obvious national and regional discrepancy between African countries in general, the statement that military spending was declining becomes difficult to defend.

Among the countries whose national economy was thought to be growing at a moderate and fast pace, military spending rose rapidly. The same was true in countries with border problems and crises, such as South Africa and East Africa. In the countries of North Africa military spending was rising until 1982, but it fell suddenly after that. Since 1984, however, this phenomenon has changed. In the countries of West Africa and Central Africa military spending declined because these countries stayed out of the seats of heated conflict.

The phenomenon of increased spending in one country or its absence in another may be due to the ability of each country's national economy to tolerate the requirements of spending and arms buildup. Poor countries cannot pay the expensive bills that are incurred in purchasing weapons, regardless of their need to increase the effectiveness of their defense.

But as we indicated earlier, the declared figures do not provide a clear indication of each country's real defense spending because most budgets in those countries have secret items and sections which have to do with defense and with the volume of defense spending.

In those budgets the proposed percentages for defense spending differ from one country to another. In Mauritius, for example, defense spending constitutes 2 percent of that country's annual budget, but in Angola it accounts for 40 percent of that country's annual budget. The average, however, is estimated to be about 15 percent of a state's budget. Even the breakdown of these figures differs from one country to another. In most countries funds appropriated for defense are spent on purchasing weapons and ammunition and on building airports and other facilities. That is why, on the whole, 20 percent of Africa's defense budget (that is, approximately \$20 billion for 1987) were spent on purchasing new weapons.

Purchasing Arms

Africa's annual arms purchase bill is estimated at approximately \$3.5 billion. Most of these exports [sic?] are distributed as follows among the various areas:

- Areas which are seats of conflict and crisis, such as the Horn of Africa and South Africa. Countries in those areas were first in arms purchases between 1980 and 1987.
- Areas where the super powers have strategic interests. Soviet relations with countries like Ethiopia, Angola, Libya, Mozambique, and Algeria had a tremendous effect on forcing large amounts of weapons into those countries. Also, since 1980 when relations improved between the United States and Egypt, Morocco and Tunisia, the flow of weapons from the West into these countries has increased.
- Likewise, the conflict between the super powers in the bottleneck areas like the Indian Ocean and the entrances to the Red Sea and to the Mediterranean

Sea induced the United States to increase its military assistance to Kenya and Somalia.

- Countries, like Egypt and Ethiopia, that manage a large army.
- Countries, like Libya, that are making a noticeable effort to increase their military capabilities. The flow of weapons into that country has increased noticeably since 1970 when \$99 million were spent on weapons. In the early eighties that figure rose to \$2 billion. Military spending in Libya did not decline until the world oil crisis started weakening the Libyan economy. After the U.S. raid on West Tripoli, Libya's arms imports rose once again. Libya has also tried to enter into agreements with Brazil to make up for the weapons it lost when they were destroyed in the war in Chad.
- Areas where regimes are trying to impose their political influence. Gen Babangida, Nigeria's leader, attributes his government's increased military spending to Nigeria's growing role in West Africa in particular and in all of Africa in general.

Most Important Arms Importing Countries

A list of the most important arms importing countries on the African Continent includes Egypt, Libya, Ethiopia, Nigeria, Angola, Algeria, and Morocco.

The World Peace Research Institute in Stockholm published a statistical list in 1987 of 20 Third World countries that were the largest arms buyers between 1982 and 1986. The names of the following countries appeared on that list.

The Importing Countries:

Percentage of the
Third World's Imports

2.	Egypt	9.8 percent
6.	Libya	4.5 percent
13.	Algeria	1.8 percent
14.	Angola	1.7 percent
16.	Nigeria	1.5 percent

Undoubtedly, the sudden and rapid increase in the revenues of African oil exporting countries since the seventies has had an important effect on these countries' abilities to purchase modern weapons. Between 1970 and 1980 African oil countries purchased 50 percent of Africa's military imports. Although military imports declined between 1980 and 1984, the arms importing fever started again in the mid-eighties.

In general, a careful examination of Africa's import figures shows clearly that the African Continent's arms imports make up 10 percent of all the goods imported by African countries. These stated facts do not show the volume of military trade between the African countries themselves. This trade consists of modest deals for arms,

materiel, ammunition, and spare parts. It may also be said that arms imports make up one third of what the African Continent imports in equipment and vehicles for transportation. There is another important observation: African governments often divert large parts of budget appropriations designated for civilian spending to the military budget.

We conclude from all this that despite the poor economic conditions that prevail in most African countries, the African Continent on the whole is still a good and an important market for the world's arms merchants.

The Most Important Arms Suppliers

This list includes countries like the USSR, the United States, the UK, France, Italy, the FRG, and the PRC. The USSR is considered the largest weapons exporter to Africa. Between 1980 and 1987 it sold weapons worth \$12 billion to Africa.

Libya, Angola, Algeria and Ethiopia headed the list of countries that are importing Soviet-made weapons. Soviet weapons exports to Africa are considered an important factor in African policy in general. Moscow uses this strategic tool effectively to increase its influence and its presence on the black continent. Observers think, for example, that the policy of exporting weapons to African countries is considered more important than trade and economic support, the West's two principal tools for gaining influence.

In this regard the Soviet Union does a better job than Western countries do. It may be that Moscow's pressing need for hard currency and its use of arms sales to obtain hard currency indicate the extent to which the Soviet Union is interested in increasing its influence as an arms supplier to Africa and to poor countries in general. Reference must also be made to the long-term lending policy which the Soviet Union has been following with its clients in Africa. The Soviet Union also receives material benefits in return for its services to these countries. For example, in return for large arms deals the Soviet Union gained the right to use important military bases in the Horn of Africa and elsewhere.

But the United States' arms sales policy is somewhat different from that. U.S. policy is basically based on Washington's instructions and U.S. security needs. U.S. arms sales are part of Washington's defense policy.

Arms sales to foreign countries are considered in light of their actual returns to U.S. security needs and to the security needs of U.S. allies. Maximum importance is given to military aid in accordance with U.S. strategic priorities, regardless of the ability of countries receiving the military aid to benefit from their use of American weapons. Egypt and Sudan provide the clearest example of that fact. By the early eighties the United States became the largest Western arms exporter to Africa. This is because African countries, especially those facing the

Indian Ocean, were becoming strategically more important. U.S. military support is also given to countries that are considered to be threatened by the Soviets and their allies, as is the case in Chad, for example.

In the case of France arms deals to the outside world are considered a main cornerstone of the French economy. French arms sales to Africa declined during the period between 1984 and 1987 because some of France's customers, like Morocco, failed to purchase new weapons. The French weapons industry became unprofitable, reflecting the industry's total reliance on the Third World market.

France, whose most important customers in Africa are Egypt, Morocco, Libya, Tunisia, and Nigeria, also sells arms to its former colonies in the sub-Sahara. France's most important distinction from its European neighbors is the fact that it is the only country that provides its customers with the technology to manufacture weapons. France did that with Egypt.

Britain's arms exports declined in recent years because British factories have been concentrating on meeting the British Army's growing weapons needs. Britain started changing its policy recently; It is relying on its old customers in Africa, which are Kenya, Zimbabwe, Morocco, Nigeria, and Egypt.

Britain's chief distinction as an arms supplier is its reliance on what is purely a commercial sense.

Italy's arms exports rely on Third World countries. Weapons make up eight percent of Italy's technological exports. Italy's most important arms customers are Libya, Egypt, Zaïre and Ghana. Italy's arms exports to these countries peaked in the seventies. They have declined since then.

Competition between China and other countries that export arms to Africa is real. Chinese weapons are inexpensive; they are easy to use; and they are practical. Market factors and the need for hard currency control Beijing's arms exporting policy. This indicates that Beijing has no clear policy on selling weapons to others. China's most important customers are Egypt, Tanzania, and Zimbabwe. Zimbabwe's air force recently purchased a squadron of Chinese-made F-7 airplanes, indicating its preference for these aircraft over the MiG-29 airplanes. Should that sale be completed, South Africa considers it a threat to its own security.

In the case of the Federal Republic of Germany, it is important to point out that except for South Africa, Bonn has no permanent customers in Africa. It has been said that South Africa purchased from Germany factories for manufacturing submarines.

The emergence of new arms exporters from Asia, Africa, and South America is one of the most recent developments in the world arms market. These new arms exporters are South Africa, Israel, and Brazil. Although figures and information on these countries' arms exports to Africa [are not available, it may be said that] South Africa has an advantage over the others because of its proximity, its inexpensive weapons, and the deals that are made with it are kept secret.

It is estimated that South Africa's 1987 arms exports to the countries of the world amounted to approximately \$1 billion. Israel's exports to Africa are limited to light weapons and materiel, spare parts, and upgrading old weapons. According to a UN report Israel's arms exports to South Africa are estimated to be about (\$200 million) annually. Brazil's arms sales are exported to Morocco's, Libya's and Nigeria's markets. Brazil's annual arms sales to African countries are estimated to be an average of \$200 million.

The African market has the advantage of re-exporting, a phenomenon that is attributable to the fact that countries like Egypt and Libya are always looking for markets for their old weapons. Between 1982 and 1986, for example, Libya sold weapons worth \$150 million to Uganda, Sudan, Belize, and Burkina Faso. North Korea supplied the army of Zimbabwe with Chinese-made and Soviet-made weapons.

The largest part of Egypt's military exports go to Iraq. Egypt also has customers in Africa, like Sudan and Somalia. Countries like Egypt and Libya re-export weapons in their effort to obtain hard currency. They may even re-export weapons with the consent of the countries which originally manufactured them.

Substantial Increase in Industrial Production Discussed

44040323B Doha AL-RAYAH in Arabic 16 Feb 89 p 5

[Interview with Engineer Ahmad 'Abd-al-Rahman al-Mani', undersecretary of the Ministry of Industry and Agriculture, by al-'Azab al-Tayyib: "Yes, Taken Together Our Industries Are Realizing Profits; Our Future Directions Emphasize Giving Native Workers an Opportunity; No Restrictions on Private Sector Getting into Medium and Small Industries;" date and place of interview not specified—first three paragraphs are AL-RAYAH introduction]

[Text] A person who follows a conversation with Engineer Ahmad 'Abd-al-Rahman al-Mani', undersecretary of the Ministry of Industry and Agriculture, acquires the ability to observe Qatar's development, specifically its industrial and agricultural development.

The man has a thorough understanding of the importance of such development for a country like Qatar. It is on this basis that he acts on and reacts to all the

particular details of this development inside the country or abroad. Ultimately, this has a positive effect which is favorable to comprehensive development in Qatar.

The importance of this interview does not lie only in the fact that it is an interview with Engineer al-Mani', the man who serves as undersecretary of the Ministry of Industry and Agriculture. This interview is important because it is conducted with a man who is familiar with the different implications and particulars of his work in the industrial and agricultural field. The text of the interview with Engineer Ahmad 'Abd-al-Rahman al-Mani', undersecretary of the Ministry of Industry and Agriculture follows.

Industrial Development

[AL-RAYAH] Experts confirm that the question of industrial development has become essential for Qatar's future. What are the main elements of dealing with this issue?

[al-Mani'] The question of industrial development for Qatar is based on the uniform industrial strategy for GCC [Gulf Cooperation Council] countries. On the one hand, the priorities of this strategy show an interest in developing capital goods industries, strategic goods industries, and industries that are important for security purposes. All these industries require modern technology, and all of them are capital intensive.

On the other hand, the strategy does not ignore the development of small and medium industries because such industries can play an effective role in meeting the needs of the local market for numerous manufactured goods. These industries also prepare society to change technically and psychologically into an industrial society. In addition, the strategy is interested in developing joint industries between the governments or citizens of the GCC countries or both.

The strategy also includes the policies which are required to implement strategy items such as encouraging private sector initiatives and guiding them. GCC governments can do that by expanding basic preparations for industrial projects and offering incentives to those who undertake such projects. They can provide the appropriate climate for industry, and they can set the course for a policy on education, training, technology and labor.

Qatar's Industries

[AL-RAYAH] Can we pause to consider your evaluation of Qatar's present industries? Given the fact that years have gone by since the inception of these industries, can we hope they will play a basic role in the process of economic development?

[al-Mani'] To put it briefly, the conversion industry sector in Qatar is made up of basic industries. These include manufacturing cement, iron and steel, chemical

fertilizers, petrochemicals, liquid natural gas, and petroleum products. The basic industries also include light industries in which the private sector is involved. These light industries, like milling grain, processing dairy products and carbonated beverages, and manufacturing brick, tiles, furniture, aluminum products, plastics, dyes, cleaning materials, insulation materials, and so on and so forth, are numerous.

Before explaining the role that is played by Qatar's existing industries in the quest for development, I would like to point out quickly that the aim of industrial development in any developing country is to achieve a set of goals including, first of all, increasing the industrial product or the value added to the industrial sector. In addition to diversifying the sources of the gross national product so that Qatar's GNP [gross national product] would not depend on one main source like oil, it is important to note that increasing the industrial product means increasing a worker's productivity and, consequently, his wages. This is reflected in the worker's rising standard of living.

Second, industrial development contributes to the entry of a significant number of workers into the national labor force. It raises the level of skill among workers, and it enables them to acquire new experiences which, eventually enable them to manage national industries.

Third, industrial development increases industrial production, and that makes meeting the needs of the local market as well as exporting to foreign markets possible.

Noticeable Increase in Production

In dealing with the change which took place in what basic industries were producing, we find that, compared to 1982 and taking into consideration the fact that the unit of production is 1,000 metric tons, there was a noticeable increase in production in 1986. Cement production rose from 229 to 308; production of chemical fertilizers rose from 1,190 to 1,405.2; production of petrochemicals rose from 259 to 479.3; production of iron and steel rose from 499.8 to 519.1; production of liquidified natural gas, not including ethane-rich gas, rose from 538 to 783; and production of petroleum products rose from 333.1 to 1,399.7.

The noticeable change that was realized in the basic industries also provided many employment opportunities for young Qataris. Those who are employed in these industries managed to upgrade their skills and abilities. For example, this change in the basic industries made the transfer of management from the Japanese partner to the Qatari partner possible. On the other hand, if we are talking about the extent to which the industrial sector contributes to the GNP, we find that the value of Qatar's industrial product rose from 1,391 million riyals in 1982 to 1,781 million riyals in 1986. Consequently, the industrial sector's contribution to the GNP rose from 5 percent to 9.9 percent.

[AL-RAYAH] To what extent are Qatar's industries making a profit? Are these industries facing obstacles? Are they facing obstacles that have to do with production requirements, technical workers, and exporting?

[al-Mani'] As I indicated previously when I attempted an evaluation of Qatar's industries, the government and the mixed sectors are involved in manufacturing cement and chemical fertilizers. They are involved in refining oil and in manufacturing petrochemicals, liquified natural gas, and iron and steel. These industries represent the cornerstone of industrial development in Qatar. Taken together, they are now making a profit, but we have to take into consideration the fact that annual profits which are realized can remain constant because of the economic conditions faced by each industry. We find, for example, that the cement industry's profits in Qatar were high during the period of economic prosperity in the country. Although the economy is in a relative slump at the present time, this industry is still making a profit although its profits are not as high as they were during the period of economic prosperity. Also, in the remaining industries, which are export industries, the profits which are realized are affected by the levels of world prices.

Regarding the question of obstacles which these industries might be facing with regard to production requirements and technical workers, all these industries, as I indicated previously, rely basically on local raw materials. As far as technical workers are concerned, we all know that our workers come from our native population. Because Qatar is a small country, as far as its population is concerned, it is difficult for native technical workers to meet all the needs of industrial expansion. And yet, the direction the country is taking signifies that in the future native technical workers will be given more opportunities.

With regard to the private industrial sector in Qatar, it is self-evident that for that sector making a profit is a basic concept. This means that an industry which does not make a profit goes out of business. The noticeable increase in the number of permits granted to industrial establishments and the entry of most of these establishments into the stage of actual production means that these industries are making a satisfactory return. During the previous years there was also a noticeable, positive change in basic industrial exports.

There Are No Restrictions

[AL-RAYAH] What is your plan to give the private sector more opportunities to enter the area of medium and small industries?

[al-Mani'] I would like to emphasize an important fact: There are no restrictions on the private sector's entry into the field of medium and small industries or any other field. But there is guidance for the investor when an application is made for building a project. On the

other hand, when a project is implemented, the Industrial Organization Act, Law No 11 for 1980, offers numerous incentives to the industrial private sector. In this regard, I will discuss some of the incentives which are offered to this sector and their importance to the investor.

It is known that land on which a project is built represents a high percentage of the total capital invested in a project. Making land available at a nominal rent represents a major subsidy for the investor. This is what Qatar does: It provides the land with all the utilities for a nominal rent. When a project goes into the actual production phase, it may face a few stumbling blocks, especially during the early years. That could lead to a relative decline in realized profits. Consequently, exempting a project from the income tax is considered a major subsidy for the project which can then operate and have enough cash on hand as working capital. Accordingly, a project's reliance on loans would be eliminated or reduced.

This is what Qatar offers. Industrial projects are exempted from the income tax for a period of 5 years from the date production begins. This period may be renewed for a similar term. Electricity and water are made available at rates that are considerably below production costs, and there are other incentives in addition to those. At any rate, the ministry does its job of studying the industrial projects which the private sector wants to set up, and it licenses the establishment of those which prove to be convincing and to have been adequately studied. The ministry will soon publish an industrial investment directory for Qatar. It is in the process of completing the data system and the industrial information for that directory.

[AL-RAYAH] Qatar is getting ready for the inauguration of the largest natural gas field in the world. What do you think production from this oil field will add to Qatar's industrial base?

[al-Mani'] Natural resources play a fundamental role in determining the future of industry in Qatar, where industries depend primarily on gas. There is no doubt that the recent unrest in the market for accompanying gas affected the efficiency of some industries. And although the development of oil reserves is affected by new discoveries and by the rate of production, Qatar's oil reserves are limited compared with the oil reserves of other countries that are members of OPEC. That is why Qatar's natural gas field, after its inauguration, will become a primary source for developing the industrial sector in two respects:

First, Qatar's natural gas field will ensure the needs of existing industrial projects, all of which can be operated at full, maximum production capacity.

Second, utilizing the gas from the north gas field will give Qatar a relative advantage in establishing and developing industries which depend on gas as a basic vehicle for going into production. Such industries, for example, are those which manufacture fertilizers and petrochemicals and industries which depend on cheap energy sources such as aluminum smelters.

Petroleum Products: Production, Export Discussed
44040323A Doha AL-RAYAH in Arabic 19 Feb 89 p 3

[Article by Sadiq al-Zayn: "At Press Conference Held Yesterday General Manager of Qatar's General Organization for Petroleum Says, 'Contractual Commitments Made Covering 90 Percent of Costs for Gas in North; 16 Percent Increase in Crude Oil Production in 1988; 20 Percent Increase in Exports; We Have no Problems in Marketing Oil; We Deal Only with Major Companies';"]

[Text] Correction

A correction is necessary. In an interview with His Excellency Kuwait's Defense Minister al-Shaykh Nawaf al-Ahmad, which was published by AL-RAYAH, there was a question about the future of Gulf relations in general. The minister said that the future of these relations was excellent. The question was erroneously printed to suggest that the minister meant relations between the Gulf and Iran.

Dr Jabir 'Abd-al-Hadi al-Mari, general manager of Qatar's General Organization for Petroleum, affirmed that 70 percent of the engineering designs for the gas project in the north have been completed and that almost all the work which had to do with execution of the project has been contracted. He also said that commitments had been made for work covering over 90 percent of the project's costs.

These statements were made at the conference which was held yesterday morning in the Conference Room at the headquarters of Qatar's General Organization for Petroleum. The press conference which dealt with the organization's achievements was held to mark the 17th anniversary of the ascent into power of his royal highness, the prince of the land.

Dr Jabir al-Mari said that average crude oil production last year amounted to 340,017 barrels per day. That figure represents a 16 percent increase over 1987 production figures. Average exports amounted to 306,081 barrels per day: an increase of 20.4 percent over last year.

Dr al-Mari indicated that last year average production of accompanying gas amounted to 257 million cubic meters per day—an increase of 15 percent. Production of liquid petroleum gas (propane and butane) amounted to 562,854 metric tons.

He said that 1,825,359 metric tons of refined petroleum products were produced and that 541,567 metric tons of these products were consumed locally.

Fertilizer Production

Regarding the production of chemical fertilizers, Dr al-Mari said that 734,854 metric tons of ammonia were produced. That is an increase of 8 percent over last year. There was a 6 percent increase in urea production, which amounted to 779,550 metric tons. He said that a study was now underway to expand this area of production.

In discussing the production of petrochemicals Dr al-Mari said that last year 256,528 metric tons of ethylene; 170,774 metric tons of low density polyethylene; and 36,951 metric tons of sulphur were produced.

He said that sales of petrochemical products amounted to 88,775 metric tons of ethylene; 153,221 metric tons of polyethylene; and 32,187 metric tons of sulphur.

Dr al-Mari indicated that Qatar started exporting super gasoline and jet fuel for the first time last June. Qatar started exporting these products after completing the oil products export pipeline which runs from the refinery to the pier at Umm Sa'id where the vessels dock.

Future Projects

On the other hand Dr al-Mari affirmed that the organization started conducting studies last year on the construction of several new projects in Qatar for the purpose of making the best and ideal use of the quantities of gas and liquid gas which will become available from the first stage of developing the north field which will be completed late in 1990. These projects include the production of methanol, fertilizers, petrochemicals and petroleum derivatives. These products, which have a value added, are products that are easy to transport and to market. Dr al-Mari said that he expected some of these projects to be implemented this year.

Dr Jabir al-Mari indicated that the Qatar Gas Company had conducted the necessary studies to build a gas liquefaction plant with an annual capacity of 6 million. He said that efforts were continuing to obtain long-term contracts to export the liquid gas in preparation for starting the implementation of this major project.

Easy Terms for Distribution

The completion of a project to export and distribute petroleum products was one of the accomplishments of Qatar's General Organization for Petroleum that Dr Jabir al-Mari spoke of. That project became operational after all experiments were completed on its equipment and its systems.

Dr al-Mari said, "This project, which will be inaugurated officially next Thursday, has facilities for exporting petroleum products at Umm Sa'id Refinery and facilities for exporting light weight as well as heavy petroleum products at Pier No 6 in the port of Umm Sa'id. Furthermore, light, imported petroleum products will be received at those facilities when necessary."

This project also has facilities for the distribution of petroleum products locally. They include special equipment for transporting light petroleum products which are necessary for local consumption. These products are transported from storage tanks at the Umm Sa'id refinery through a 42-km pipeline to the area of Umm Hamur, west of Doha.

He indicated that this project had a modern fire-fighting system to ensure the safety of workers and installations. In addition, there is also a computer controlled security and control system.

One Quarter of a Century

Dr al-Mari also indicated that the 1st day of February marked the 25th anniversary of Qatar's first export shipment of off-shore oil. He said that date coincided with the date, last 7 January, on which the oil exploration agreement between Qatar and the French Company ELF Aquitaine was signed. This is an agreement to look for oil underwater in Qatar's territorial waters and off its continental shelf.

Training

Dr al-Mari also reviewed at his press conference the steps that were being taken to train and develop the labor force. He affirmed that those steps were consistent with directions from his royal highness the prince of the land, and he said they demonstrated the belief that human resources were the foundation of national development.

He said, "We are continuing the implementation of the 5-Year Plan to train and develop Qataris. This plan was approved by the organization's board of directors in 1985." He also said that the training center which is affiliated with the organization offers programs to qualify and train workers as well as training courses in technical and administrative areas. The center also watches the progress of trainees.

Dr al-Mari said that a number of Qatari trainees did join the project since its inception. "We encourage young Qataris to apply for work in the project in all areas of engineering, industrial and administrative work."

Cooperation in Gas Projects

AL-RAYAH asked Dr al-Mari about the meeting which took place between officials of the Petroleum Organization and a Soviet economic delegation which visited Doha recently. The newspaper asked him to define the

cooperation that exists between the two countries in the area of gas. Dr al-Mari said, "Due to the diplomatic relations which developed between Qatar and the Soviet Union in 1988, the two countries may work together on petroleum and gas projects because the Soviet Union is considered one of the largest oil and gas exporting countries. Such cooperation between the General Organization for Petroleum and oil companies in the Soviet Union is possible because of the Soviet Union's lengthy experience [in such activities], especially in the field of natural gas."

Dr al-Mari said that no detailed discussions on this subject had taken place because the Soviet delegation's visit was merely a preliminary visit. Such discussions could be held in the future by specialists in the oil and gas fields.

Oil Refining

On the other hand, Dr al-Mari said that as of 1988-1989 approximately 60,000 barrels of oil will be refined per day rather than 35,000 to 40,000 barrels, the daily oil refining figure for previous years. He said that Qatar had no problems marketing its oil because it terminated its dealings with trading companies and was dealing with very large companies which safeguard their reputation and honor the agreements they make with Qatar's General Organization for Petroleum. That is why we have not encountered any difficulties in marketing crude oil or petroleum products either in the Far East or in European countries."

Dr al-Mari was asked about a gas pipeline that is to carry gas to neighboring countries. He said, "So far no agreement has been reached on this matter, but negotiations are underway to look into the possibility of laying such a pipeline."

The Principle of Commitment

Commenting on the Vienna Agreement which was reached late last year and set a production and price ceiling for the OPEC countries, Dr al-Mari said, "The oil markets were undoubtedly revived after this agreement was reached. Prices for the Gulf area's oil rose from \$10.00 to \$15.00 a barrel because surplus oil declined in world oil markets."

Dr al-Mari said that some reports indicate that overproduction of oil by OPEC countries last January and the fact that these countries exceeded the production quotas that were set for them led to a small decline in prices. However, the ongoing coordination among OPEC countries indicates that the supply of surplus oil in world markets will be reduced, and that will stabilize the oil market.

Dr Jabir al-Mari indicated that based on studies conducted by scientific organizations and national oil companies, oil production in non-OPEC countries will

decline in the 90's. Thus, OPEC will play a bigger role in the sixties [as published] due to the decline in oil production from some of the non-OPEC countries' main oil fields. That will increase prices to over \$18.00 a barrel.

Dr al-Mari said that Qatar was bound completely by its oil production quota of 313,000 barrels a day. That quota was set at the last OPEC conference. He said, "This is a principle we abide by so that nothing would happen to harm the OPEC countries."

The Private Sector's Participation

AL-RAYAH asked Dr al-Mari a question about the participation of Qatar's private sector in future projects whose implementation is being promoted by the Organization for Petroleum. Dr Jabir al-Mari said, "The National Bank of Qatar will participate in the first stage of these projects, but the private sector's participation in future projects will be considered. The private sector's participation in future projects must be carefully considered to ensure that financing methods are flawless. At the present time no study is being conducted on the private sector's participation in such projects."

SUDAN

Article Questions U.S. Involvement in South 45040256A Cairo AL-SHA'B in Arabic 14 Feb 89 p 8

[Article by Tariq Hasan: "America Enters Sudan Through the Door of the South"]

[Text] Mediation or direct American intervention? That is the question about the real intentions of America's announcement of readiness to participate in ending the war that has gone on for years in Sudan between the government and Garang's forces.

This question raises a number of fundamental observations about the American announcement that was made by Charles Redman, spokesman for the American State Department.

First, the announcement first received its official character after many American contacts and visits that included Sudan and its southern regions, Ethiopia, and Cairo, not to mention meetings with John Garang and the leaders of the armed movement in the South. In terms of timing, the announcement came in the wake of the failure of many projects and programs to settle the issue of the South. The last of these was the al-Mirghani—Garang agreement. Why didn't the American position participate in previous mediation efforts? In fact, it contributed to causing some of them to fail. Why the announcement of an official readiness to intervene now?

Second, the American announcement was accompanied by an official revelation of talks with the Soviet Union on this subject. It was also accompanied by indirect criticisms of the Soviet position. Charles Redman, for example, said, "These talks have not yet reached the level of cooperation that took place in discussing the Namibia problem last year." He added, "The Soviet Union has an important role that it should play in the region, in view of its clear influence in Ethiopia," meaning that the obstacles in the way of a settlement came from the side of the Soviet Union.

Perhaps the American statement about talks with the Soviet Union aims at calling the attention of all the parties (internal and external) to the fact that there will be no room in the coming period for settlement of the aforementioned issue, except in accordance with the principles of the American-Soviet agreement.

Third, the American position did not wait for the two parties (the government of Sudan and Garang) to agree on its offer. It entered directly into contacts with Garang's movement by way of former Sudanese Foreign Minister Mansur Khalid, who is Garang's current representative, although no official Sudanese comment on the aforementioned offer had been issued.

In the same context, THE NEW YORK TIMES revealed that the United States had initiated its contacts with Garang's forces by way of Robert Hodek, the American charge d'affaires in Addis Ababa. The newspaper mentioned no date for the beginning of these contacts. They probably took place at a time previous to the aforementioned offer and over long intervals.

Interestingly, the meetings of Garang's representative, Mansur Khalid, with the American State Department in Washington were not limited to discussing political matters related to the issue, but extended to a meeting with Julia Taft, an official of the American State Department's Office of Foreign Disaster Assistance.

During the last 2 weeks, the American State Department announced that it is making it easier for American aid to reach Sudanese areas controlled by Garang's forces in the South, thus constituting an open disregard for the authority of the official Sudanese state. This has provoked a crisis between the American and Sudanese governments.

The American government asked its aid organizations "to seek means of establishing relations with the Sudanese People's Liberation Army led by John Garang" and cautioned the Sudanese government against attacking aid operations coming through the borders with Kenya and Uganda to rebel areas.

As is well known, the government of Sudan previously expelled 12 aid groups that were offering aid to the South without government supervision. The government approved aid to southern areas only by the Geneva-based International Red Cross.

American Support for Garang Clear

Holding the Soviet Union alone responsible for the obstacles to a settlement may be part of an American maneuver to cover up the reality and goals of ongoing contacts with Garang's forces. Perhaps it was because of this support that Garang immediately welcomed the American offer and that the Sudanese government made no comment. The latter is resolved to send a high-level delegation to Addis Ababa within a few days to hold talks with Garang in the context of preparation for the constitutional conference. The delegation includes Foreign Minister Hasan al-Turabi and the ministers of defense and interior.

Not only has there been no Sudanese comment on the recent American position toward Garang, there has been no comment on the various pressures the American administration is exerting on Sudan to stop its reliance on domestic production of sorghum in return for free American wheat for a period of 5 years. (America had previously halted wheat cargoes arriving in Sudan in order to exert pressure on the country.)

The hidden reason for the change of the American position from prohibition to a grant relates to the Sudanese government's recent decision to raise the 400 million pounds earmarked for supporting the importation of American wheat to 500 million pounds, with the entire sum to be allocated to supporting domestically produced sorghum in the context of a self-reliance program. In line with this, the Sudanese government issued another decision setting the ingredients of a Sudanese loaf of bread at 40 percent local sorghum, versus only 60 percent American wheat. Annoyed, America offered the grant, but Sudan rejected it. The rejection was met by American threats to cut off aid from Sudan and impose an economic blockade because of these decisions.

The position on the South and the economic pressure are not the only positions America has taken regarding Sudan recently. America is allowing Israel to use al-Husayn Island in the Red Sea near the Sudanese South for spying activities and information gathering inside Sudanese territory by a group of Israeli espionage and military experts.

These and other positions define the nature of current American attitudes toward Sudan. These attitudes can be summed up as use of the South, threat of an aid cut-off, and prevention of self-development plans in order to threaten the entire Sudan and, on the other hand, arrange regional conditions in accordance with America's interests as it embarks upon agreements with the Soviets about the Nile Valley and African continent.

The entire matter demands a united Sudanese stand against these attempts and requires immediate Arab support, particularly from Egypt, to relieve pressure on Sudan and frustrate attempts to encircle and break up the Sudan. The matter has direct importance for Egyptian and Arab security.

Sarah Al-Mahdi Denies Allegations of Corruption

45040264B London AL-MAJALLAH in Arabic
21 March 89 p 21

[Interview With Wife of Sudanese Prime Minister in Khartoum; date unspecified; first paragraph is AL-MAJALLAH introduction]

[Text] In the house of the Sudanese Prime Minister al-Sadiq al-Mahdi in Omdurman, AL-MAJALLAH conducted an interview with the prime ministers's wife, Sarah al-Fadil al-Mahdi, in which she responded to accusations and rumors that she received sums of money from foreign political concerns, that several family members participated in deals, and that her son, a commander in the army, stayed away from participating in the war in the south.

[AL-MAJALLAH] Where does the responsibility in the al-Mahdi family lie regarding what is happening now, especially the accusation pertaining to corruption?

[Sarah al-Mahdi] This is a campaign aimed at defaming the person of al-Mahdi. Here, I can speak for myself. I have been active in politics for close to 27 years, and I have not worked one day of my life in commerce. I have not obtained a permit for any reason, not even a vehicle permit. I have a car now, but I refuse to have it licensed so that it will not be said that I am taking advantage of my husband's position. I challenge anyone in Sudan or abroad to produce a document which proves that I have entered, from near or afar, into a commercial deal, or exploited the al-Mahdi name. I am prepared to appear before the judiciary if any such proof or indication comes to light. Any action which we take is calculated. We do not even profit from our homes and farms, so that it will not be said that we are exploiting our position in the government to improve our living conditions, whereas this matter is legal. Since al-Mahdi became prime minister, we have not travelled at the expense of the government at all. I personally travel at my own expense, and so do the children. Also, our children travel on diplomatic passports only because this is required for purposes of security and protocol.

[AL-MAJALLAH] Therefore, you deny the repeated allegations that you received \$15 million?

[Sarah al-Mahdi] I strongly deny it, and I have initiated lawsuits against the person who published this statement.

[AL-MAJALLAH] Why does your son not join the war in the south?

[Sarah al-Mahdi] My son applied to the war college during Numayri's era and was rejected. He attended the war college in Jordan and graduated with honor and distinction. Rumors began to appear in the newspapers that because of his aptitude, he was asked to be a trainer at the war college. He is most eager to fight in the south. He was en route to al-Kurnuk with his division, when he was recalled at the halfway mark after this city was reclaimed. It is expected that he will be transferred to the south at any moment now. We have nothing to do with this. We did not speak with any person in the army regarding the fate of our son. He is one of the most popular officers among his soldiers. I hope you will pose this question to his commanders. Since the day on which we accepted that the fact that 'Abd-al-Rahman was to be a soldier, we have known that Sudan is in a state of war, that our son is vulnerable and cannot be a pampered soldier.

[AL-MAJALLAH] It has been mentioned frequently that al-Mahdi has lost some of his credibility as prime minister on the Sudanese political scene?

[Sarah al-Mahdi] Any person who hopes for many things cannot achieve them all, because reality is one thing and hopes are another. I do not believe that al-Mahdi failed to secure some of these hopes, because al-Mahdi's achievements in all areas of Sudanese life can be substantiated by statistics. Perhaps they amount to less than that expected of him by the people, but that is beyond al-Mahdi's control.

[AL-MAJALLAH] Let us take basic issues such as sugar, bread, and medicine; all of these items are very expensive, in short supply, and sold on the black market.

[Sarah al-Mahdi] Regarding medicine, many contributed medicine to us during the floods, but most of it was not suitable for use, and a good part of it was not usable for operations. We were compelled to use Sudan's 1988 reserve. Because we are a poor country, we cannot lay up medicine twice in one year, and this is the reason for the crisis. Also, the circumstances of the war and the deteriorating economy that we inherited have a significant effect. The shortage exists, but it is exaggerated; outside Khartoum, everything is available. In Khartoum, everything is under the control of the black market.

[AL-MAJALLAH] If everything was in excellent order, why did a million Sudanese go out to the streets last 29 December?

[Sarah al-Mahdi] Because of the increase in the price of sugar, which is a very important staple item. Sugar in Sudan can make or break a government. I believe that the timing of the increase following the infliction of punishment by the Americans, and during the electricity crisis, was a mistake. What I cannot understand is the loss of patience on the part of the Sudanese people. There are projects which cannot bear fruit overnight, and al-Mahdi does not have a magic wand.

[AL-MAJALLAH] I know that it is difficult for you to forget that you are al-Mahdi's wife, but do you not attribute any errors to the government? Can it be that all institutions in Sudan, including the armed forces, are wrong, and al-Mahdi is right?

[Sarah al-Mahdi] All of these institutions in Sudan have become politicized [tasayyasat] to a large extent. I agree that there are mistakes in the government, the first of which is its entrance into the vortex of alliances and coalitions, which are unstable and fluctuating vis-a-vis policy. The problem is that the Sudanese people did not elect one party. There is corruption, especially in the civil service. It is inherent, and practiced fearlessly and openly in all institutions.

[AL-MAJALLAH] How would you feel if a military coup occurred?

[Sarah al-Mahdi] It would be unfortunate to lose the freedom and democracy which we have worked hard to obtain.

[AL-MAJALLAH] If a coup occurred, could it be considered to have stemmed from the will of the armed forces alone?

[Sarah al-Mahdi] The army's emphasis on the preservation of democracy, and its demand—not emphasis—on the continuation of al-Mahdi's rule, constituted a positive development. Foreign concerns have found out that all of Sudan stands together when exposed to an ordeal, and that no one sides with elements who have dealings with foreign powers.

[AL-MAJALLAH] If we were warned that there was a conspiracy, would that not establish the need to purge the army? What is the fate of the officers who signed the memorandum?

[Sarah al-Mahdi] Those who signed the memorandum uncovered the conspiracy and thwarted it, and they are the commanders who sounded the alarm. If their memorandum had come to light, the situation would have exploded in a different manner.

Makki Madani Criticizes Al-Mahdi, Discusses Current Issues

45040279B Khartoum AL-MAYDAN in Arabic
19 Mar 89 p 2

[Interview with Dr Amin Makki Madani, lawyer and former minister, by Yasir al-Tahir: "Crisis in Governing, Unsuccessful Structures"; date and place not given; first paragraph is AL-MAYDAN introduction]

[Text] Problems of the current political situation, proposed trade union participation in governing, the National Islamic Front's [NIF] withdrawal from participation in the government, and prospects for action by organizations to defend democracy and support the

Sudanese peace initiative—all these are questions that occupy political and social circles in the country. AL-MAYDAN met with Dr Amin Makki Madani, a leading personality in the Popular Organization To Support the Peace Initiative and the Organization To Defend Democracy. The political situation was the point of departure for our conversation.

[Makki Madani] There is a crisis of governing. This is a natural result of the failure of different governmental arrangements from the uprising to the present to deal with such basic issues as peace, economic and living conditions, high prices, and suffering. In addition, there is the government's axis-orientation in foreign policy, the fumbling, and the unstable internal security situation. The latter has resulted from resorting to arming tribes, the presence of armed militias belonging to party organizations, and foreign intervention in Darfur. All these issues and problems continue to exist to the present day. Party governments in all their forms have focused their attention on power and narrow gains, either at the party level or at the level of party leaders in the government. This has opened wide the door to corruption. The natural result of this has been that no attention has been paid to calling to account those who engaged in corruption under the May regime. The government has been led to deal with opposition voices calling for change, reform, and a return to the slogans of the uprising with a vicious attack using the information media, newspaper statements, the forum of the Constituent Assembly, and conferences. The emergency laws were extended in an open attempt to combat political opponents raising the slogans of democracy and the uprising. This became perfectly clear after the December 1988 demonstrations, the Ambo conference—participants were subjected to illegal search; some were forbidden to travel and threatened with preventative detention—and the government's intention to restrict trade union activity, etc.

[AL-MAYDAN] Talk about the social contract and what the prime minister said about it immediately comes to mind.

[Makki Madani] Basically, what has been named "the social contract" raises a theoretical formulation for relations between the government as employer and workers in government agencies without offering citizens a stable minimum economic, social, and political situation. The social contract is not a slogan; it is a philosophy based on the existence of a stable framework to regulate the relationship. As a prerequisite, the government must provide citizens with the simplest components of daily life and services; and this, of course, is not being provided. Therefore, talk about the social contract is premature. The aim is to divert labor and professional unions from occupying themselves with public questions.

[AL-MAYDAN] The current political situation was directly connected to the Armed Forces' memorandum. What is your opinion?

[Makki Madani] The Armed Forces' memorandum raised all the slogans that the forces of patriotism and democracy were raising in the context of their opposition to the government's policies and methods of governing. The fact of the matter is that for obvious reasons the government cannot deal with the Armed Forces as it did with the opposition. The Armed Forces have raised slogans that the general political scene and trade unions were raising. Any government can easily describe its opponents as agents and a fifth column, but in a confrontation with the army and Armed Forces it clearly cannot describe them in such terms and raise this weapon against them.

The memorandum raised advanced slogans. It raised them in the context of constitutional legitimacy and on the basis of preserving the gains and slogans of the uprising.

What has happened since the appearance of the memorandum until the present? The ruling authority is trying to dissolve and downplay the situation, because the memorandum, in addition to what the political scene raised, has imposed a new reality, one which should have been handled in a context larger than the formulation of slogans and already known programs. The latter are said to be "issues of the hour." It is easy for anyone to espouse them—stopping the war, following a balanced foreign policy, rescuing the Sudanese economy, etc. No one—government or opposition—disagrees about these things. Where the dissolving and downplaying comes in is that the government has espoused the slogans, but has not provided the mechanism enabling their implementation. Talk about working in the context of the political reality, under the leadership of the government that has been in existence, is meaningless. What organizations demanded of the State Council ought to have happened: the political forces of trade and professional unions, political parties, and the Armed Forces should rally around establishing a correct formula able to implement the program. This should be done without people's worrying about the question of constitutional legitimacy, since this is taking place in the framework of democracy, which is the formula that everyone has approved. What the State Council has done is a formula for an emergency exit from the crisis.

[AL-MAYDAN] The question of union participation and representation of the progressive forces in the government is now being raised. How do you see this?

[Makki Madani] The slogans of the uprising demanded that the progressive forces be given representation. Many political parties demanded that the progressive forces and regime forces be given representation. A small minority of political parties rejected this. Unfortunately, the transition period failed to produce a democratic election law guaranteeing representation of the progressive forces. The result of this was the crisis we are today experiencing. Representation of the progressive forces does not amount to rewarding them because of their

having risen up, as occurred in October and April. Rather, it is because they are able to influence the political situation at any time and because they are to be found in the places of production. Therefore, it not possible for them to be pulled into the political arena when needed and then depart afterwards. Representation of the progressive forces has become the demand of a reality from which there is no escape in the context of political decisionmaking, and this means their presence in authority. I believe that in the time remaining before elections all political forces must move to arrive at the best formula for how to represent those forces.

[AL-MAYDAN] The decision of workers of the Sudan recently not to participate in the government—

[Makki Madani] I do not know the real reason for the decision of the General Confederation of Workers' Unions of the Sudan not to participate in the government. But I do not think it was a question of cabinet appointments. The basic question concerns who is going to implement the proposed program.

[AL-MAYDAN] In your capacity as a leader of the Organization To Defend Democracy and the Organization To Support the Sudanese Peace Initiative, what is their position on what is happening in the political arena today?

[Makki Madani] The Popular Organization to Defend Democracy, the Committee to Support the Sudanese Peace Initiative, the National Trade Union Association, and the opposition parties—all of them have recently been amalgamating into one grouping, because all points have crystallized in the program and all the frameworks for action of these organizations developed last month into an integrated formula touching all critical matters such as peace, the economy, etc.

[AL-MAYDAN] What about the NIF's withdrawal from participation in the government and their recent press conference announcement that they withdrew from the government and were not dismissed?

[Makki Madani] The NIF did not participate in the government for reasons that bear on itself. Their objections have been various. They took stands against the government inside and outside the assembly. They stood against representation of the progressive forces. They stood against the Sudanese peace initiative. Then this all dissolved and their stands on it changed. They brought up the subject of Islamic law and talked about the lack of authentic foundation in the proposed program. Since they participated in the past government for more than 10 months, while demanding that the laws they called Islamic Shari'ah be implemented within 60 days, what they have brought up cannot be the reason for their departure from the government. As for the question of "authentic foundation," it has not been rejected at all; rather, as was previously proposed in Kokodam, it is to be left to the national constitutional conference. All this

is a pretext. They have reservations about the program and about the framework within which they can cooperate with others. It became impossible, because they would be cooperating with a political arrangement disagreeing with their ideas. So they thought it best to withdraw. Had the choice been anything else, it would not have accorded with the proposed program, which basically does not accord with NIF policies. They were looking for a reason to state—that they had withdrawn and had not been dismissed. But the reality of the situation is what isolated them.

Former Economic Minister Discusses Current Economic Situation

45040256B Kuwait AL-SIYASAH in Arabic
16 Feb 89 p 8

[Interview with Dr 'Umar Nur-al-Da'im, former minister of finance and planning, by Mahmud 'Abidin: "Our Economic Conditions Are Not So Bad—But!"; date and place not given; first three paragraphs are AL-SIYASAH introduction]

[Text] The Sudanese economy has passed through the danger stage. It has left famine behind. For the first time in many years, the wheel of production is turning. This is what [former] Sudanese minister of finance and planning, Dr 'Umar Nur-al-Da'im, said in a frank talk to AL-SIYASAH about the economic, social, and political situation. We told the minister that conditions had worsened since 1986 and that all economic indicators had crossed the red line. Prices had risen to incredible levels. Real income for most of the Sudanese people had decreased. Basic necessities were not to be found—in addition to the "suicide" of the Sudanese pound. Dr 'Umar Nur-al-Da'im answered that conditions were not so bad. Western media were responsible for distorting the picture of conditions in the Sudan. He said that economic conditions had improved noticeably under the democratic system. Agricultural and industrial production rates had risen. "We have restored to operation the principal enterprises that the defunct May regime ruined."

The minister emphasized that the May regime's legacy was very heavy. One need only mention that there are \$12 billion in debts. The minister refused to acknowledge that the government might not be serious in dealing with the economic problem and that "political accommodation" might have aggravated conditions. He said that accommodation was the nature of the present stage.

Dr Nur-al-Da'im announced that Sudan's debts to the IMF had reached \$900 million. Exports were estimated at \$700 million; imports were in excess of \$1.5 billion. Thus, the trade deficit was about \$1 billion. He said that Sudan did not have savings to pay its debts that had come due. As a result, Sudan had not obtained a certificate of health from the IMF. Nevertheless, he said, his country's relations with the IMF and World Bank were good. Loans were flowing from these organizations

despite poor economic conditions. He stated that the World Bank was actively contributing to financing Sudanese projects. The minister indicated that Sudan is now focusing on reforming the infrastructure and linking remote areas by roads. These would lead to increased rates of production and productivity, thus stopping the deterioration of the currency and rising inflation rates.

The conversation with Dr Nur-al-Da'im went as follows:

Heavy Legacy

[AL-SIYASAH] First, Your Excellency, why has the economic crisis worsened over the past years? Why have prices risen to such fantastic levels? Why have all essential necessities become unavailable? Why has the scope of the black market and parasitical activity expanded to such an extent?

[Nur-al-Da'im] First, the democratic regime inherited a very heavy legacy whose size was not known to people. Debts exceeded \$12 million, productivity had declined, and major productive enterprises had been neglected for 16 years. When the new regime arrived, it gave the people the real picture of their economy. It established a national economic conference, which developed into the 4-year economic program, which was approved and in which all political forces from left to right participated. We established an agency for national planning and prepared a relief program to combat the effects of flooding. This means that the economic plan in Sudan crystallized for the first time the problem of real revenues. For the first time after the fall of the now defunct [May] regime, export and production activity in the country began to move. There had been no production. Yes, prices rose. However, as a Sudanese, you must know that the pre-1985 Sudan was a country of famines, while currently there is no famine in Sudan. Production of agricultural crops has increased, and Sudan has begun exporting them, in addition to livestock, gum, and cotton. During this and the previous year, all agricultural and industrial projects have been restructured and have begun to produce. Production rates for all crops have risen. Cotton production rose 20 percent during the year over the previous year. The same holds true for sesame, sunflower seeds, etc. What I would say is that export activity has risen and famine has disappeared.

Second, Sudanese citizens today under democracy have their freedom and food needs insured, regardless of the problems of sluggish production and high prices. Basic commodities are now available. Lines have disappeared. In the area of agricultural production, we expect abundant production this year. Economic activity in Sudan is not the gloomy picture you define. I would say that there has been a great improvement. Of course, there is inflation. This has resulted from war conditions and the

unproductiveness of modern forces. Sudan has not suffered from famines since the beginning of the democratic regime. As for all our available resources, we are not wasting them, but are expending them in the right directions.

[AL-SIYASAH] What about the balance of trade?

[Nur-al-Da'im] Our balance of trade is unbalanced. Sudan exports goods worth \$700 million and imports about \$1.5 billion. Thus, we are suffering from a deficit of nearly \$1 billion. We have a domestic budget deficit and a balance of payments deficit, plus debts amounting to \$13 billion. Until 1969, Sudan had savings that covered the costs of expenditures.

North-South Road

[AL-SIYASAH] Your Excellency, for any economy, infrastructures represent a basic element for increasing production and productivity. What measures have you taken in this direction?

[Nur-al-Da'im] In the context of the 4-year program, we are now taking a very great interest in the subject of infrastructure—roads, communications, electricity, reservoirs, and irrigation. We are now busy with completing the North-South Road, the West Road, and extending electricity. Work is under way on the Tandaltal-Ubayyid Road and the al-Damazin Road. We hope to find funding for the al-Jayli-'Atbara North Road. The road network is being expanded for all regions. We are placing first priority on the subject of infrastructures. We believe that if we succeed, development will be achieved automatically without our intervention, since infrastructure was one of the factors obstructing investment in our country. No investor, local or foreign, will invest when the economic structure is in ruins, especially since Sudan is a country of enormous area. We believe the now defunct [May] regime had an opportunity to absorb billions of dollars during the seventies; however, it lost this precious opportunity by its actions.

Sudan was unsuccessful as regards the international monetary surpluses that were invested in many developing countries. This was because Sudan was subject to corruptions that caused Arab capital in particular to stay away because of bad rulers. Sudan did not make plans to program projects and encourage foreign investment. These were opportunities that were lost to our country.

Reform of the Banking System

[AL-SIYASAH] Against the background of an Ummah Party suggestion during the election campaign, there was interest in reforming the banking system. This was also mentioned in the recommendations of the economic conference that you promised to adopt. Are you in the process of carrying out these reforms?

[Nur-al-Da'im] The banking system is now witnessing major reforms. I agree with you that many economic matters need reform, such as investment, banks, and loans. All our economic institutions are now subject to fundamental reviews. There is seriousness, and the tendencies are correct. This should be clear. I believe that the surveillance that has been imposed has stopped the corruptions about which we used to hear in the past. Public opinion is now in possession of everything. Our policies regarding the credit market have become clear. The Bank of Sudan now has control and authority that were absent in the past.

[AL-SIYASAH] Is there a trend toward encouraging local and foreign investment?

[Nur-al-Da'im] We now believe that the investment laws in Sudan are enlightened laws. Investors, however, are hesitating, because there are great economic distortions in Sudan and infrastructure is lacking. This must be remedied. There is no doubt that we are working to win the confidence of investors. Today, Sudan needs large agricultural and industrial projects that require electricity. We think that investment in Sudan will remain confronted by obstacles until such existing problems are solved.

[AL-SIYASAH] Regarding local investment, there is an evident pattern of unproductive capital speculation in areas that bring no benefit to the national economy. What measures are you taking to eliminate counterproductive parasitic activity?

[Nur-al-Da'im] This requires measures connected with the severity of the laws. In my opinion, these questions will be treated somehow in the future. Abuses exist not only in the economic field; there are many abuses that require treatment. All of them require discipline and new behavior. We believe that we can remedy many abuses, given the prevailing democratic climate.

[AL-SIYASAH] Many people believe that accommodational solutions and satisfying other parties have contributed to worsening the crises and to slowness in taking decisive measures.

[Nur-al-Da'im] Not at all. The country is passing through a transitional phase, after which we hope to arrive at a permanent constitution and settle the larger issues. There are priorities. This means that accommodation is required. You have to strive for an accommodational situation, one for which you gather the largest possible number of Sudanese. This is the nature of the stage until matters take their final form.

Parasitical Activity

[AL-SIYASAH] There was hope that your governments would take effective measures to eliminate parasitical activity, brokerage, speculations, etc. However, this has not happened.

[Nur-al-Da'im] We began to take measures—for example, in currencies. But as soon as we begin to take measures, people express irritation at them. When we arrested currency dealers, we heard objections. We are aware of these abuses that you mentioned. Today, we hope that all agencies will move. This demands citizen participation and cooperation. I would state that we are now organizing a campaign to eliminate abuses in the black market. We are organizing a general mobilization for the harvest and for confronting the dangers enveloping the country. We hope for the cooperation of official agencies and popular groups in eliminating these sicknesses.

[AL-SIYASAH] Your Excellency, Sudanese citizens are suffering from an enormous disparity between wages and prevailing prices.

[Nur-al-Da'im] The remedy lies in production. We must agree. Work capacities and the kind of respect for work that would raise production, thus remedying inflation, are hindered by many great problems in our country. Improvement of the situation depends on citizens' capacity to produce, so as to cover the country's consumption.

It is clear to us that productive capacities in all sectors are very low. We are suffering from low production rates of modern forces as a result of swelling the work force and administrations that work in an uneconomic structure. This means that their remedy is by production.

Encouraging Investment

[AL-SIYASAH] This requires other decisive measures to invest national capital and available wealth.

[Nur-al-Da'im] The national capital in Sudan is very small. If there are no areas encouraging investment, national capital cannot be invested. On the other hand, I believe that the prevailing economic conditions will force people to perform better. Crises generate positive results, not always negative ones.

[AL-SIYASAH] Where is the Sudanese pound heading?

[Nur-al-Da'im] This is a problem that has resulted from weak production. As I mentioned, we are suffering from budget deficits. The only change in the official exchange rate of the pound has been a drop from 2.5 to 4.5 against the dollar. However, the free market rate was not announced in the past. Rates in the latter market have remained more or less stable. In the area of imports, we import about 28 commodities at the official price—the basic popular commodities. The current free price was not announced in the past, although it was present as a black market in which dealings were conducted abroad. Until production is improved and distortions in the economic area are eliminated, there will continue to be suffering. I would ask you to look at things optimistically.

[AL-SIYASAH] But there has been nothing new since the uprising; you are still waiting.

[Nur-al-Da'im] No. There has been a freeing of Sudanese will and Sudanese decision-making. The problems have become known to the entire people in their natural extent. Productivity has increased. Without a doubt, the country's condition is much better, compared with the past.

Billions in Debts

[AL-SIYASAH] Have Sudan's relations with international funding agencies been frozen? Is it true that the Western countries are not offering aid?

[Nur-al-Da'im] Sudan owes billions. We owe the IMF \$900 million. We do not have a certificate of health from the fund. We do not have savings to pay these debts. The debt problem has been aggravated by the decline in production on the local level. This has led to further complications. But relations with the Fund and World Bank are not bad, compared with other countries. Loans are flowing from these organizations. The relationship is very good, despite the bad state of our economic situation. At the present time, the World Bank participates very actively in our domestic projects, more actively than any other organization or country. Sudan's relations with Western countries and international funding organizations are continuing normally.

Shortages

[AL-SIYASAH] Returning to shortages, why are basic necessities so unavailable?

[Nur-al-Da'im] The shortages are not as bad as you say, although a bread crisis did occur at one time because of a problem between bakery owners and the Ministry of Trade, not because of a shortage of flour. Since the arrival of the democratic system, there have been no gasoline lines. However, the economy will remain a problem until existing imbalances are corrected. If we now had funds and were wasting them, you would have the right to question us. However, now that we have reformed projects and increased the domestic product by 7 percent in a short period (despite the existence of \$12 billion in debts), I think you have a duty to thank us, rather than the opposite. We have eliminated the specter of famine. Today, the Sudanese people make their own decisions without dictation from abroad, as happened in the past. We are elected by the popular will, and this is the source of our strength. By the very nature of his regime, Ja'far Numayri was a hanger-on to [others'] coat tails, because he came [to power] by a conspiracy of foreign intelligence agencies that had no relation to the Sudanese people.

[AL-SIYASAH] At the end of his talk, Dr Nur-al-Da'im expressed his adherence to Islamic law, since it was the will of the people.

Ministry Gives Crop Estimates for Harvest 45040258C Khartoum AL-USBU' in Arabic 7 Mar 89 p 5

[Article by Faysal Mahmud Ibrahim]

[Text] The agricultural rainy season in the Central Region was characterized by an expansion of the cultivated areas and a substantial increase in the productivity of cultivated crops as a result of favorable natural conditions and the effort exerted to provide the necessary participation. This season saw plentiful rains favorably distributed throughout the sowing and production seasons. In addition, excellent land preparation helped to lay a good foundation for the crops.

A report prepared by the Ministry of Agriculture in the Central Region on rain-based agriculture this season stated that the cultivated area totalled 12 million feddans, including 8 million sown with sorghum, which is double the area sown last season. This expansion was aided by low production last season and an increase in the price of sorghum, which encouraged farmers to plant, in addition to natural conditions.

Sorghum production is expected to total an estimated 28.25 million sacks. The areas of Suki, al-Dindar, Abu-Hajar and al-Damazin on the Blue Nile, and the areas of Rabak and al-Jabalayn on the White Nile are considered the most productive areas, especially regarding areas outside the plan.

Decreased Sesame Cultivation and Production

The area cultivated with sesame totalled 1,750,000 feddans, compared to 1,825,000 feddans last season. The decrease is attributed to a delay in the sowing of the crop and its affliction in some areas with the "blood" disease, which reduced productivity to 3.5 million qantars, compared to about 4.5 million qantars last season.

Sunflower

The third ranking crop in terms of area is sunflower, which covered 464,000 feddans. The sunflower crop enjoyed favorable production conditions and was not exposed to any pests except for the American worm, which was controlled with one spray application of the insecticide thymol. Production totalled about 300 kg per feddan, signalling a good future for this crop, with higher production averages and expanded areas of cultivation.

Pearl Millet

The most outstanding area for the cultivation of pearl millet in the region is located in the west central and north central areas of the region, where pearl millet is not consumed as it is in the regions of western Sudan. The cultivated area totalled 255,000 feddans, whereas production totalled 510,000 sacks.

Peanuts

The area planted with peanuts totalled 120,000 feddans, most of which were in the Tandalti area, compared to 65,000 feddans last season. Productivity was reasonably average compared to previous seasons due to an improvement in rainfall and rainfall distribution averages and the completion of sowing at the appropriate time.

Despite the success of the agricultural season this year in terms of the amount of cultivated area and productivity of "most" crops, there are several problems which continued to accompany the production process, the foremost of which is the problem of harvesting, storage, and marketing. Perhaps the problem of harvesting and the shortage of manpower was more acute this season due to an improvement in conditions in the areas which traditionally supply manpower in western Sudan. Attempts were made and are being made to solve this problem by attracting foreign visitors, refugees, and emigrants. However, in most cases these groups have little experience and cannot endure the severe conditions of the harvest, which has the additional problem of high costs. These problems can be solved as follows:

1. By increasing crop yields and cultivating strains of sorghum which can be harvested mechanically. The Agricultural Research Organization and the Seed Propagation Administration can play the greatest role in this respect by providing these strains over the course of the next 5 years.

2. By constructing strategic silos in the region's production areas, and near national roads, with the possibility that these silos will provide their services to other areas which might become exposed to food shortages, in addition to constructing storage units at the regional level, and the development and improvement of existing traditional storage means at the village level. Studies pertaining to storage have been prepared and submitted to several international organizations in Japan and the al-Faw area, but they have not seen [word illegible] to date.

3. The marketing problem is even more evident in seasons of abundance and when the export market is stagnant. This is especially so this season, with the country's sorghum production exceeding 6 million tons, half of which is post-consumption surplus. The quantities which were not marketed will negatively affect sorghum prices and the future of sorghum cultivation against the backdrop of continually increasing production costs.

Therefore, a realistic marketing and pricing policy must be formulated that takes into account encouragement of production, enhancement of the efficiency of production methods, and state intervention to encourage the producer and protect the consumer.

Kordofan Governor Defends Appointment, Political Position

45040264A Khartoum AL-RAYAH in Arabic
28 Feb 89 p 4

[Interview with 'Abd-al-Rasul al-Nur; date and place unspecified]

[Excerpts] 'Abd-al-Rasul al-Nur is considered one of the symbols of the national coalition government. In the previous period of the coalition, the region of Kordofan witnessed sharp disagreements between the Ummah Party and the Democratic Unionist Party. Our first question is, how is the coalition currently progressing, and what are the effects of those disagreements on the region? [passage omitted]

[Al-Nur] We, in the coalition, had hoped not to isolate any group having parliamentary representation worthy of mention, because, in a democratic system, we appreciate the opinions of the people. The isolation of someone elected by the people along with us is an attack on democracy, which is still in its initial period. Therefore, we must consent to the rule of the people for us or against us in order to continue this friendly democratic game between us. Therefore, I was among those who played a role in narrowing differences of opinion, and restoring the large political parties to their earlier days of joint struggle, especially since we still believe that the gap between those parties and their ideas is smaller than the gap between them and other green and red tribes, which have other colors, more numerous than the colors of the spectrum. Therefore, when I was appointed governor of Kordofan, I brought along these concepts and wanted to apply them to nature with full faith. I encountered much that I feared previously. Nonetheless, I tried to steer the regional government on the course which we selected, which is conformity to the principles on which it was founded. We began to address the citizens in order to achieve these concepts, which are embodied in democracy, consultation, determination of identity, full participation in the government, collective decisionmaking, purging bitterness, and narrowing the gap between citizens, regardless of their parties.

I have heard the response of the citizens through their different parties. Our population in Kordofan, as witnessed by many who have visited us, is living in an atmosphere of agreement and general reconciliation between individuals, tribes, parties, and other entities. In every city which we visit, we visit all the offices of the political parties, including the offices of parties outside the coalition. We even visit with those parties which do not have offices because the size of their membership does not permit them to acquire offices. We invited them to where we were staying to communicate and share ideas regarding the issues, about which we know their opinions in advance. These issues pertain to the Shari'ah, John Garang, and peace. We listened with extreme patience to their nonsense and claims, and we continue to endure the spoken and written damage which we

perceive originating with many of those groups. Even after one of the main elements of the coalition withdrew for unconvincing reasons, we in the region of Kordofan are nonetheless convinced that the coalition is continuing, that consultation with those brothers who withdrew is still continuing, and that the bridges between us are still extended, usable, and passable. [passage omitted]

[AL-RAYAH] The Ummah Party also experienced sharp disagreements when you were appointed governor of Kordofan, inasmuch as several of your opponents believed that your appointment upset the balances, which were established by al-Sadiq al-Mahdi, and according to which the party acted following the uprising. What is your comment, and what are the most recent developments pertaining to these disagreements at present?

[Al-Nur] Some of what you mentioned is correct, and some is incorrect. It is correct that the Ummah Party is a large Sudanese party. If the parties were the size of a mouse, it would be the size of an elephant. Therefore, it is a party in which there are numerous ideas, ethnic groups, and opinions, as is the case with any party at this level. Even the Companions of the Prophet themselves, may God be pleased with them, had their differing schools of thought. However, the difference between the Ummah and the other parties is that the Ummah Party is the only one founded on a clear basis, whose pillar is Islam and whose warp is comprehensive national unity between the groups and ideas existing in Sudan. Other, nondoctrinal parties, which are smaller than the elephant, are an expression of blocks or groups of parties existing in one party. [passage omitted]

As for talk of my appointment—which I never pursued, because we do not confer power on one who seeks it—I believe that I am a soldier in this Ansar movement and missionary work before being a soldier in the Ummah Party. I have been a soldier in the organizations of the Ummah Party and the Ansar movement since I was a child. I do not believe that my position has any value in my general life. Therefore, when I heard of my appointment, we did not hear in Kordofan that clamor raised by the regional newspapers and tribes. These tribes are very disturbed over the return of Kordofan, which was the “secret” of the Mahdist call in the last century, through which the Sudanese became united, held on firmly, liberated the homeland, and rendered religion and justice victorious. These tribes feared that an Ansari would come and address the Ansar. They desire that there be a schism between the addressor and the addressee. Therefore, they became alarmed over my appointment. However, the population of Kordofan understood the message completely, as expressed in their receptions, ceremonies, and participation, which made that storm a tempest in a teapot that has ended completely, except in some newspapers which I always consider a gauge of my success or failure. If they are quiet about me, I reconsider what I have done. When they write about me, I am confident of being on the correct and upright path. I

stress to you that this matter has been completely and decisively settled. The situation has returned to normal, and we no longer mention it at all. We have forgotten it, and we consider it a part of history. It has benefitted me personally; if I were to expend great sums and enormous effort, I would not receive the same yield which I obtained from that empty clamor.

[AL-RAYAH] You mentioned that you consider what several newspapers write a gauge. However, these newspapers also published the statement made about you by Prime Minister al-Sadiq al-Mahdi, just as they published and continue to publish statements made by your opponents among Ummah Party leaders. Thus, as you see, the newspapers are not a cause of those disagreements, and your account of them disregards the causes of the disagreements themselves.

[Al-Nur] I believe, as I said to the brothers at the ALWAN newspaper, when they asked me, that the statement written by the prime minister, and what he said about me, suffice for me today, tomorrow and forever.

[AL-RAYAH] You mentioned that you encountered the effects of the party disagreements when you received the position of governor of Kordofan, but you did not define those effects. Can you provide some details in this regard, and can you clarify the most recent developments regarding your appointment inside Kordofan itself, where it was recently reported that the conciliation committee in the Ummah Party has reached a solution to those disagreements, and that Muhammad ‘Ali al-Murdi, the former governor, issued a statement in this regard?

[Al-Nur] Regarding the first question, as I said, I cannot speak about a past period as much as I look toward the future. The foundations which I laid are not limited to the brother deputy governor and ministers participating with me. I have also striven to apportion my authorities to executive officers and other agencies, because I believe in distributing power to the greatest possible number of aides, and granting them trust, time, and the opportunity to work with me. Therefore, I delegated my authorities to the governor of South Kordofan and the governor of North Kordofan, appointing them as authorized deputies. I also delegated authorities to the general financial director in the region. I did so because I believed, and continue to believe that problems of authority in Sudan are due to an attempt to wrest and deny the authorities, powers and privileges of others, and to concentrate power in hands which cannot exercise it from the standpoint of time, energy and cogitation. [passage omitted]

As for the second question, I maintain that what happened at al-Ubayyid was inflated, and that several of those who had ideas were placing some of the blame on leadership elements in the party. I smoothed over some of the personal aspects with them when I arrived in the

region. Recently, we met together and they decided to pursue their activities after all of the causative factors had abated. Experience proved to them that there was nothing specific. We treated each other as brothers and exchanged visits during this entire period, and there was no disagreement worth mentioning.

Whatever may be, I would like to say that the general rules which bind people in the Ummah Party are similar to a Catholic marriage. Regardless of how angry one becomes with another, one leaves a fine thread, nay a thread of Mu'awiyah which cannot be severed [reference to flexible political policy]. I am very happy with what happened at al-Ubayyid. Throughout Kordofan, the party was satisfied with that. I believe that the general situation and the general relations between us are based on a firm foundation.

Finally, I did not really understand how my appointment upsets the balances which are maintained. I believe that, by all standards, these balances were not disturbed in any way. If the standard is one's involvement with the Ansar, my involvement started in my early youth. If it is one's connection to Kordofan, I am a son of Kordofan. No criterion can exclude me, unless it pertains to aptitude, for I cannot vouch for myself in this regard.

[Al-Nur] The Democratic Unionist Party held its regional convention in Kordofan. That convention was accompanied by slogans and speeches which stated that the convention is considered an indicator of political change to be experienced by Kordofan in the future. What is your comment?

[Al-Nur] The Ummah Party welcomes the convocation of the Democratic Unionist Party convention and the conventions of all other parties. We do not fear democracy. Rather, we fear anything which is undemocratic. Our only comment is to express our hope that general elections will be held at their designated time, after which each party can speak of its size in the country.

Columnist Comments on Nature of Sudan-Egypt Charter

45040258A Khartoum AL-HADAF in Arabic
2 Mar 89 p 4

[Commentary by Abu-Mazin]

[Text] Egyptian President Husni Mubarak described the Sudanese-Egyptian brotherhood charter as a mere joint statement, containing nothing which goes beyond the general framework of the joint statements issued following the visits exchanged by the rulers. Therefore, he abrogates it just as al-Sadiq abrogated the defense agreement.

Actually, we understand the problem differently, especially since the brotherhood agreement was declared and established after the start of the controversy over the joint defense agreement between the two countries, and

the need to abrogate and replace it with a substitute which strengthens and reinforces historical links between the two peoples. That controversy did not end until the abrogation of the joint defense agreement and the announcement of the brotherhood charter, which everyone believed would be a strong formula able to contribute to the development of relations between the two brother countries in various fields.

The Sudanese state continued to practice its political pioneering with the brotherhood charter because it was a model to be imitated in Arab relations. Therefore, the coalition government charter signed last May indicated that it is necessary to build relations with Libya, Saudi Arabia and Egypt, that the best model for building these brotherly relations is the brotherhood charter, and that Sudan would therefore pursue the signing of a similar charter with Saudi Arabia. It seems that Saudi Arabia has announced that it can dispense with fraternizing with our government.

The revelation made by the Egyptian president explains several observations to the effect that brotherhood charters between the governments of al-Sadiq al-Mahdi and Egypt do not go beyond the scope of classic, official statements. The best part of brotherliness with the third party is complete unity. Such brotherliness was supported by the Ummah Party and the [National Islamic] Front, and opposed by the Democratic Unionist Party, the Arab Socialist Ba'th Party and numerous political and social powers, because the main motive in establishing it would be to settle old bills paid for the two parties by al-Qadhdhafi in the days of the National Front. Several Libyan sources have indicated that this amount exceeds 5 billion Sudanese pounds.

The Egyptian president's revelation confirms all that is circulating around the national arena regarding the fact that our external relations are based—in terms of their motivations and starting points—on narrow limits. It seems that this axis clearly comes not from an internal Sudanese will as much as from suspect relations, in which there is nothing but the hunter and the prey, the laeader and the follower, and the commander and the obeyor.

Al-Turabi Press Conference Highlighted

45040285A Khartoum AL-RAYAH in Arabic
16 Mar 89 p 1

[Article: "Dr al-Turabi's Statement at Press Conference Yesterday"]

[Text] In the name of God, the Merciful, the Compassionate.

The executive leadership of the National Islamic Front [NIF] has decided not to participate in the next government for the following reasons:

1. The NIF entered government on the basis of a covenant signed by all parties that included a commitment not merely to the Islamic approach, but to explicit Islamic legislation from the Qur'an and Sunnah. The NIF did not, in fact, enter until this commitment was strengthened by an additional one from the Ummah Party to implement this promise before last autumn or in 2 months, unless an essential obstacle was agreed to have arisen. Time stretched on, but the promise was not realized. We consoled ourselves by the fact that the measures were in force and that obstacles had arisen.

Today, the position of most of the next party formation favors postponing shari'ah law indefinitely, completely dependent upon a conference that will be held and finish its work we know not when and that will decide we know not what.

As you know, the shari'ah is the authenticity of the nation. It is an explicit mandate to the national parties. It is the stipulation of the existing constitution. It is a project that gained virtually unanimous agreement in its various stages and was on the verge of final approval.

To set aside the shari'ah is to deny a constitutional and political commitment. It is the collapse of the basis of our participation. Honesty in positions is the NIF's political morality. Now that the project of participation has lost its clear basis, participation must be ended.

2. The NIF believed in a balance of defense and peace. We said that the requirement of defense was being neglected. The Armed Forces were not given moral or material support. Efforts toward peace were not marked by credibility and seriousness, but by collapse and abasement that tempted the other side to continue the war and aggression.

We now see that domestic and external agencies have plotted and have implemented their will or plots to annihilate the Sudanese military and governmental entity on behalf of the other side's plots. The next government formation is an extension of this plot. This will harm the cause of defense and peace. It will expose us to great danger because of disunion among our political, military, and diplomatic forces, and the strength of the other side, whether we are forced to continue the war or obtain peace.

3. The NIF wanted a strong, effective, and decisive government equal to Sudan's challenges. This requires a united, harmonious government that does not waste its energies in fighting and arguing, whose views do not contradict each other, and whose actions are coordinated. However, the coming government formation is a hodgepodge that brings together the extremes of social, intellectual, and political contradiction in the Sudan.

We wanted a government strong in its democracy, in its parliamentary support, and in the independence of its will from whatever is outside responsibility to parliament. The coming regime, on the other hand, will completely distort government. Its support is from outside parliament and outside the mandate and legitimacy. The trade unions, which used to reject inclusion and appointment to ministries, which used to avoid partisan and political controversies, and which used to limit themselves to a purely trade union mandate, are about to enter the government. Despite the Armed Forces' neutrality, nationalism, and commitment to the democratic will, some of their leaders have been forced to enter the arena of exerting pressure and perhaps participate in the government. The many political formations that lack the legitimacy of representation in the Constituent Assembly (some of them hardly represent more than one person) have entered the arena of exerting pressure. The circle of political decision-making has left the parliamentary arena for the street and then for the palace, which used to be a dignified symbol of the nation's unity, but has now become a stage for political controversy. The next government will be responsible to all these pressure groups. The principles of responsible parliamentary government and the requirements of democratic legitimacy will thus be distorted.

We observe that the coming government has not and will not be fashioned in parliament. Indeed, it has almost not been fashioned in the Sudan. It has been beset by overt interventions and unveiled pressures that have used media propaganda and threats to cut off food, military, and financial aid, and that have recently embarked on an explicit campaign to exclude the NIF and its symbols and to direct government policy away from national steadfastness and the Islamic attitude.

The NIF, which respects and desires the principle of ministerial solidarity and unity in [word illegible], does not think that this can be realized. The NIF, which believes in the sovereignty of the electoral will and in refraining from capitulation to pressures from alignments, does not think that this will be fulfilled after today. The NIF, which believes in the cultural, financial, subsistence, and national independence of Sudan, does not think that this will be guaranteed with some of the elements that will enter the government—elements that see capitulation, dependence, and subservience as a realistic necessity or an article of political belief.

For these reasons—the denial of a constitutional, political, and Islamic commitment; the abandonment of national defense and a just and honorable peace; the setting aside of constitutional legitimacy and its channels; and subjection to foreign pressures—the NIF has decided to reject participation in the government and present the resignations of all its political elements from government positions.

We wish to set the record straight:

First, we have been meeting with successive large delegations of Ummah Party brothers who have begged us to continue in the government out of consideration for

national needs and political relations. We say to them that we value the good relations that have held sway between us and the Ummah Party in view of ties of Islam, jihad, shared national struggle, and the experience of the unification government, which was not troubled by squabbles over spoils and not defeated by lack of honesty, boldness, and decisiveness. But we have offered our apologies to the brothers in the Ummah Party. We will continue to abide by these pledges and this strategic relationship for the sake of Islam and for the sake of the Sudan. We received a friendly appeal from brothers in the State Council who asked us to sign the palace covenant. At noon today, we received a friendly appeal from the chairman of the State Council, who affirmed that the State Council was not espousing any particular document and that the connection between the palace and the document was one of position, not of decision-making. He assured us of his desire that we remain; however, we made our apologies. We will continue to be grateful to him for his honesty and patriotism.

Second, we in the opposition will work to strengthen Islam in society and state by the power of the people. We will work to guard and defend Sudan's security and build up its foreign relations. We will work to watch and evaluate the government for the sake of growth and good government. We will do our duty with an effectiveness that will insure that our impact on Sudanese affairs will remain at the same level [after our transition] from government to opposition. We will do our duty patriotically, as we did it yesterday. We have had previous experience in opposition. We will cooperate with the government on what preserves the religion [of Islam] and on what is required by the interests of a homeland threatened at the root of its existence, unity, and identity, for the benefit of a government whose democratic and popular nature are now threatened, and for the sake of a pure society and noble life.

Editors Comment on New Government, Press Freedom

45040285B Khartoum AL-RAYAH in Arabic
16 Mar 89 p 2

Interview with newspaper editors Amin Hasan 'Umar (AFAQ), Muhammad al-Hasan Ahmad (AL-ADWA'), Ibrahim 'Abd-al-Qayyum (AL-ITTIHADI), and Muhammad Idris (SAWT AL-UMMAH), by 'Abd-al-Qadir Musa: "AL-RAYAH Questions Editors-in-Chief About Current Political Conditions"; date and place not given]

[Text]

Amin Hasan 'Umar (AFAQ)—To Bypass the Constituent Assembly Is To Bypass the Legitimate Constitutional Government

[AL-RAYAH] Do you think the Sudanese press has been positive in its presentation of the crisis through which the country is passing?

['Umar] I do not think newspaper attention to the crisis has been positive, because it has been an unreflective following of contradictory political statements and has become one of the most important tools in the political maneuvers. All the newspapers have wittingly or unwittingly encouraged attempts by some small political forces to bypass the legitimate constitutional government and throw the country into a whirlpool of political chaos.

[AL-RAYAH] What do you think of the newspaper attacks that the Egyptian newspapers have launched against the Sudan?

['Umar] The newspaper attack is no surprise. The Egyptian press does not lack hired pens who do harm where they think they are doing good. However, the relationship between the two peoples remains greater than all the loud-voiced journalistic pens.

[AL-RAYAH] Do you worry that we may within days lose the freedom of the Sudanese press?

['Umar] Basic freedoms, including freedom of the press, always remain exposed to loss if they are not guarded by the groups of the people who first extracted them. Since I do not think the desire for expression has diminished, I am optimistic about the continuance of freedom of the press, although I do not slip into a position of justifying the scurrilousness and treasonous stands of some newspapers on the Sudanese scene.

[AL-RAYAH] Do you think what is happening now is what the Armed Forces' memorandum intended?

['Umar] Since I think well of our Armed Forces, I believe what is happening on the Sudanese scene was their intention or part of their intention. However, whether we want it or not, the interplay of positions that began with the memorandum has led to the current political state of affairs, which has increased the division of the internal front and threatened the country's political and territorial unity.

[AL-RAYAH] Do you not think it is a mistake to bypass the Constituent Assembly in defining the shape of the next government?

['Umar] To bypass the Constituent Assembly, which is the seat of political will in defining the shape of the government or political decisionmaking, is to bypass the legitimate constitutional and democratic government. If the legitimate constitutional government is bypassed, this means that democracy has entered the tunnel of no return.

Muhammad Al-Hasan Ahmad (AL-ADWA)—I Do Not Think This Involves Bypassing the Constituent Assembly

[AL-RAYAH] Do you think the Sudanese press has been positive in its presentation of the crisis through which the country is passing?

[Ahmad] I think a judgment about the Sudanese press's positive nature or lack of it has not come in. Some newspapers have been positive; others have followed the path of agitation or certain private views.

[AL-RAYAH] What do you think of the newspaper attacks that the Egyptian newspapers have launched against the Sudan?

[Ahmad] I think the Egyptian press overreacted somewhat to Prime Minister al-Sadiq al-Mahdi's statement. However, we also say that we, as part of the press in Sudan and as among those responsible for authority, have contributed more than the Egyptian press to raising the level of the attack.

[AL-RAYAH] Do you think what is happening now is what the Armed Forces' memorandum intended?

[Ahmad] I believe the Armed Forces were and are still moving in a nationalist direction. As regards the memorandum, the political scene tried to see what harmonized with its particular assumptions.

[AL-RAYAH] Do you not think it is a mistake to bypass the Constituent Assembly in defining the shape of the next government?

[Ahmad] I do not think that involves bypassing the Constituent Assembly. The prime minister has insured a legitimate constitutional government. The current attempts at an arrangement are subject to parliamentary representation. I do not think the question in this form can be considered critical.

[AL-RAYAH] Do you worry that we may within days lose the freedom of the Sudanese press that we enjoy today?

[Ahmad] On the contrary, I feel that freedom of the press is indispensable under any circumstances, however much governments in Sudan may change and alter. I believe that past experiences have proved the need to work with a democratic situation and free press. This is natural and may be considered one of the basic principles of Sudanese citizens.

Ibrahim 'Abd-Al-Qayyum (AL-ITTIHADI)—I Still Do Not Have a Complete Picture

[AL-RAYAH] Do you think the Sudanese press has been positive in its presentation of the crisis through which the country is passing?

['Abd-al-Qayyum] Answering this question requires a quick look at the Sudanese political map. I think that journalists follow the attitudes, paths, thinking, and political programs of particular parties. Therefore, a judgment on the press applies to the party whose view the press expresses.

[AL-RAYAH] What do you think of the newspaper attacks that the Egyptian newspapers have launched against the Sudan?

['Abd-al-Qayyum] The Egyptian newspapers were on the defensive; they did not open the attack. If we in Sudan allow ourselves to use our tongues and pens on others, we must realize that others also have tongues and pens and that their tongues may be sharper and their pens more knowledgeable.

[AL-RAYAH] Do you think what is happening now is what the Armed Forces' memorandum intended?

['Abd-al-Qayyum] The Armed Forces' memorandum was surrounded by circumstances that forced them to present such a memorandum. I cannot imagine these circumstances. We must appreciate them. We cannot learn the truth and depth of the problems of the Armed Forces.

[AL-RAYAH] Do you not think it is a mistake to bypass the Constituent Assembly in defining the shape of the next government?

['Abd-al-Qayyum] I still do not have a complete picture of the Constituent Assembly's position in forming the next government, so it would be illogical for us to set down ideas about the next government.

[AL-RAYAH] Do you worry that we may within days lose the freedom of the Sudanese press?

['Abd-al-Qayyum] Certainly not, for a number of reasons. The most important of these is that we belong to a free people. Many people here possess free thoughts. Our people will never part with their freedom, so our press will certainly never lose its freedom.

Muhammad Idris (SAWT AL-UMMAH)—Constituent Assembly Members' Practices Make Bypassing It a Duty

[AL-RAYAH] Do you think Sudanese newspapers have been positive in their presentation of the crisis through which the country is passing?

[Idris] I think the newspapers were not positive either in their presentation of the current crisis or in previous crises. The independent newspapers are not free of internal political domination. They are not free of studies that they obtain from outside. Therefore, their view is colored by what comes in, not by how the situation of the

country ought to be and by the demands of their obligation for full adherence to complete neutrality in publishing news or expressing opinions.

[AL-RAYAH] What do you think of the newspaper attacks that the Egyptian newspapers have launched against the Sudan?

[Idris] The Egyptian newspapers are ignorant of what happens in Sudan. They base their opinions on news we publish that is carried to them by media that are not chaste-tongued or clean-handed. If what the Egyptian newspapers publish is to be censured, these criticisms should be directed at those who gather their news, not at them.

[AL-RAYAH] Do you worry that we may within days lose the freedom of the Sudanese press that we enjoy today?

[Idris] Allow me to amend the question to "some day," instead of "within days." If you agree, then my reply is that what I feel is not worry, but rather the certainty that we shall lose the freedom of a press that has crossed the dividing line between freedom and anarchy and has embarked on what should not be embarked upon in the name of freedom of opinion.

[AL-RAYAH] Do you not think it is a mistake to bypass the Constituent Assembly in defining the shape of the next government?

[Idris] The practices of some members of the Constituent Assembly make the bypassing of it almost a duty, since some of these positions are marked by irresponsibility.

[AL-RAYAH] Do you think what is happening now is what the Armed Forces' memorandum intended?

[Idris] Dragging the Armed Forces into political matters is something I would rather not go through. I do not believe that they were aiming at entering a political battleground by their memorandum.

TUNISIA

Prime Minister Speaks on Government Attitude Toward Islam

45190057 Tunis LE TEMPS in French 29 Mar 89 p 4

[Text] Prime Minister Hedi Baccouche presided at the national conference of preachers, imams, and instructors of religious education on Monday afternoon in Tunis, one in a series of periodic gatherings organized by the State Secretariat for Religious Affairs.

Among those present at the conference were the secretary of state for religious affairs, Mr Kacem Bousnina, and other cabinet members; the governor/council chairman for the district of Tunis; and the mayor of Tunis.

Upon taking the floor, Mr Baccouche began his speech by conveying President Zine el Abidine Ben Ali's greetings to those attending. He noted that the president has taken an unfailing interest in the lives of the men responsible for worship and the affairs of Islam in Tunisia ever since he acceded to the country's highest office. In this regard, Mr Baccouche stated: "The attention President Zine el Abidine Ben Ali gives to our Islamic religion was most clearly expressed in the deep devotion and piety he felt upon completing the pilgrimage of 'Umra' last year."

The prime minister remarked on the auspicious timing of this conference, which falls a few days before the beginning of the month of Ramadan, the month of obedience, devotion, and the Koran. It follows regional gatherings at which the secretary of state for religious affairs presided.

He then drew attention to the great interest given to religious matters in our country by the head of state and the cabinet, an interest that is illustrated by the numerous measures adopted since 7 November [1987; date of President Ben Ali's ascension to the Presidency] and by the implementation of clear guidelines that restored our Islamic identity to its true place.

In this vein, Mr Baccouche stated: "We are more than ever convinced that a people unattached to or unproud of its authenticity and unwilling to defend its civilization is closing the door on its future, because there can be no progress or prosperity in breaking from one's origins and in denying one's authenticity."

"We in Tunisia belong to a prestigious civilization with roots stretching far back into history, [which] across the centuries holds the unmistakable seeds of balanced progress. Today it is up to us to put these seeds to good use and make them bear fruit so that we may carry out our new civilizational project successfully."

The prime minister went on to explain that under colonization, Islam was one of the decisive factors that enabled our people to preserve our identity and personality against all forms of assault. He further remarked that the people of Tunisia have distinguished themselves by their ability to rise to the demands of progress without forgetting their past and their religious and spiritual heritage, and he emphasized that the new Tunisia remains true to this course. Thus, the creation of a State Secretariat for Religious Affairs, the strengthening of the relatively new Superior Council of Islam, the re-establishment of the University of Zitouna, and the creation of a center for Islamic studies in Kairouan are all manifestations of our desire since 7 November to give our Islamic identity the attention it requires. Further, they are an indication of what we plan to do to enhance the prestige and influence of Islam and its men so that Tunisia may resume its rightful role in the dissemination of Islam and become, as it once was, a source of pride among nations as a center for ulemas.

The prime minister added that the interest and support of the state for men of worship, mosques, and for those in charge of their care is further proof of the high regard shown to Islam in Tunisia.

In this connection, he expressed his consideration for the efforts made by citizens everywhere to contribute to the construction of mosques, reconfirming the state's determination to assume its full responsibility for the upkeep of mosques in accordance with the decision of the head of state on the appointment of personnel to citizen-built mosques so that worshippers are assured of the conditions they need to perform their religious duties.

Mr Baccouche noted that since the turning point of 7 November, the state has adopted a policy that recognizes the importance of the maintenance and upkeep of mosques, providing sums to regions and municipalities to sustain the state's ever-increasing effort in this domain.

Turning to the material conditions of imams, preachers, and mosque employees, the prime minister pointed out that their work is voluntary in principle and noted that when the state considered the living conditions of the elderly, widows, and orphans, it approved material benefits for them and is now studying the financial impact of an extension of those benefits to all who watch over our places of worship.

In this context, he emphasized that the state assumes primary responsibility for the safeguard of mosques and for matters involving the lives of those who work in them.

Mr Baccouche then turned to another aspect of the restoration of the Islamic religion since 7 November, drawing attention to the series of measures adopted toward this end. He cited the institution of the "Ro'ya," while still using calculations to determine the date of 'Id al-Fitr; radio and television broadcasts of the call to prayer and of the Friday prayer; encouragement of the teaching of the Koran; and efforts to increase the numbers of preachers through recruitment based on competitive examinations.

The prime minister added that the state, which adopted these measures to safeguard our country's identity, will stand by its decision, firm in its belief in the need to restore Islam, without empty promises or demagoguery.

Mr Baccouche pointed out that one trait distinguishing Tunisia from most other Islamic countries is its religious unity, which was achieved thanks to the jihad waged by our ancestors with ideas and weapons and which is founded on the holy Koran, the Prophet's Sunna, and on Malekism. That is an achievement to which few countries in the world can lay claim.

The prime minister recalled that throughout its history, Tunisia has been rooted in the Islamic faith and remains so today without having cut itself off from the world or fallen into stagnation. He stated that our religion recognizes the roles to be played by both the secular and the spiritual. To cut oneself off from the world, therefore, could only lead to opposition to progress and dissention.

He explained that the recent history of Arab and Islamic countries, including Tunisia, demonstrates that there are scholars in favor of renovation—Tahar Ben Achour, Mohamed Abdouh and Jamaledine El Afghani—who have favored the reformist trend in their perception of Islam.

In this regard, the prime minister stated: "The Islam we seek is one that provides us the means to achieve power and glory, that allows us to live in the present day, and that enables the Muslim to contribute to the mastery of science, technology, and matter, thereby giving us pride and dignity. None of this is possible without toil and effort."

"The Islam we seek in Tunisia," he added, "must also be tolerant and founded on conviction and the peaceful debate of ideas—not on constraint—to consecrate the noble and sublime nature of our religion which enabled it to spread and have influence everywhere in the world."

"The Islam we are striving to disseminate and to instill in men is one that is based on moderation, one that banishes excess and extremism which inevitably engender an opposing extremism."

Mr Baccouche even recited a Koranic verse to illustrate his point: "We have made of you a nation justly balanced, so that ye might be witnesses over men and the Prophet a witness over yourselves."

He then pointed out that in the Arab Maghreb, Islam has always been a factor of unity and integration and not of diversion or dispersion, that we were able to retain our identity thanks to the unity Islam confers on us, because solidarity among Muslims, he continued, is a reality that makes the Islamic nation a unified nation, similar to a sturdy edifice built of mutually-sustaining elements.

In this regard, the prime minister pointed out that one illustration of the unity of the nation in Islam is to be found in a tradition we inherited in which preachers end their sermons by praying for the success of the government and the head of state. The imam, he explained, helps to unify the ranks of the nation, thereby sparing it discord and anarchy. No matter how great the divergence of opinion and differences in programs, the imam is not permitted to take any side's view or to ally himself with a party because his religious duty makes him a brother to all Muslims. Consequently, it would be a breach of religious dictates for him to meddle in any temporal matter on which believers are in disagreement.

The prime minister stressed the fact that mosques could never serve as a stage for political disputes and the excesses, alliances, and attacks on moral integrity that they entail. He underscored the fact that the mosque is open to all Muslims and that the preacher is to serve all Muslims. He noted that any preacher who divides the members of a single nation into Muslims and non-Muslims has strayed from his mission.

Mr Baccouche concluded his speech by emphasizing that these policies and decisions, which were established by the 7 November watershed, have the purpose of imparting new strength and vitality to Islam so that it will remain what it has always been: a factor of unity, not division.

PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

Leaders Discuss Liberalization, Political Issues

Interview With Foreign Minister Al-Dali

44040365 London *THE MIDDLE EAST* in English
Apr 89 p 19

[Interview with Foreign Minister 'Abd-al-'Aziz al-Dali by Wilhelm Dietl]

[Text] [Question] What are the basic outlines of the Yemeni foreign policy?

[Answer] Our foreign policy aims to create a secure atmosphere and good relations with all neighbours, and with all the countries in the region. We need a peaceful situation to implement our own development and to gain stability. Otherwise we cannot improve our internal situation. As you know, we are one of the least developed countries. This we have to overcome with a policy of mutual respect and non-interference. Every country has its special identity, its special social and political orientation. But this should not prevent international relations and cooperation from being expanded.

[Question] Is reunification of the two Yemens a matter of foreign policy or of domestic policy?

[Answer] It is, of course, a matter of internal policy. My ministry is not dealing with the issue of Yemeni unification. But we do exchange points of view concerning the policy of both parts of Yemen towards an international forum. We have one stand, one view, sometimes one speech on the international level. Every representative, from the North and from the South, speaks in the name of the two parts of Yemen.

[Question] Have you set a time frame for the implementation of the common constitution?

[Answer] There is no time frame for that. But between the two parts of Yemen we have the Higher Council which is going to deal with this matter in the near future.

[Question] We get the impression that Sanaa was ready to introduce unification immediately by the end of last year.

[Answer] Sometimes, we wish the same—to implement unification immediately. But, between wishes and reality, there is time to be covered. We have institutions here, and the same in the north. This is the practical side. When it comes to unity, we have to make sure that everything is well prepared. Unification is not a simple matter, despite the fact that our wishes are very deep.

[Question] What are the remaining obstacles in your contacts with the north?

[Answer] We don't have obstacles which cannot be solved. We have to deal with institutions and with the party matters, because we have agreed to create one organisation, a party may be for the two parts of Yemen. We cannot ignore that there are two systems in the north and in the south. It's very difficult to integrate both systems in a common future.

[Question] In 1988 we heard that Saudi Arabia was offering the northern tribes of South Yemen Saudi passports and money and that there was a dispute over five or more border stations and even violence between your country and the Saudis. Has the situation been solved now?

[Answer] We have good relations with our brothers in Saudi Arabia. We agreed to deal with any border problem concerning our citizens and their citizens crossing the border.

[Question] In other words, the situation on the border is quiet.

[Answer] Yes, it is.

[Question] Last year, President Haydar Abu-Bakr al-'Attas went to Oman. What was the outcome of this visit?

[Answer] It was the first visit of our chairman since the re-establishing of the relations between our two countries. It gave us the chance to explore cooperation in trade, culture and other fields. We could solve most of the border problems. There are only minor subjects left. Both countries could express their good will in all fields.

[Question] A few weeks ago you told Western ambassadors during a private dinner that Democratic Yemen is going to re-establish diplomatic relations with the United States during 1989.

[Answer] Yes, our relations with the United States are being looked through. We may make a decision in the near future.

[Question] What about liberalisation within South Yemen?

[Answer] In our June 1986 conference we admitted that in the past mistakes have been created in our policy—especially on the economic side. We are trying to increase production and to treat producers very well, and to remove all obstacles which were created in front of them. Every country has its own ideas. That's why we need to overcome past mistakes and to see that these things will be correct. The wheel of change is moving towards a better future.

Interview with President Al-'Attas

44040365 London *THE MIDDLE EAST* in English
Apr 89 p 19

[Interview with President Haydar Abu-Bakr al-'Attas by Wilhelm Dietl]

[Text] [Question] The most pressing political problem in South Yemen seems to be the unification process with the north. How far have you got?

[Answer] One of our strategic goals is to achieve Yemeni unity. We have gone through a lot of discussions to find ways by which we can realise the re-unification of Yemen. We have formed a number of unified structures, such as the Supreme Yemen Council and a committee at the prime ministerial level between the two countries. Other communities deal with different aspects of unification. One is concerned with the constitution; others with the agricultural and educational and cultural affairs. We are trying now with our brothers in North Yemen to hold the regular meetings of these organisations.

Last May we achieved a new agreement to work together in the field of petroleum. We have formed a joint company and we have agreed upon an area of North and South Yemen between the governorates of Marib and Shabwah. The people concerned will soon start to implement the agreement. So, by building on these steps, we can approach as soon as possible the final re-unification of the country.

[Question] Have you set a final deadline for the implementation of the constitution and for the creation of a joint capital?

[Answer] We have agreed that Sanaa will be the capital of a unified Yemen. But putting the date for achieving the constitution and declaring unification depends on the Supreme Yemen Council.

[Question] Is there going to be a multi-party system later on, or just a one party state?

[Answer] This is one important issue confronting the two Yemens. The agreement signed between the two parts of Yemen in Libya [in 1986] mentions in one article a

unified political organisation. Until now, we didn't touch this subject. But it's one of the subjects which we are going to discuss in the coming meeting.

[Question] North Yemen has become the founding member of the new "Arab Cooperation Council". Could you become another part of this alliance?

[Answer] Concerning the new formation between four Arab countries, we welcome any sort of organisation which will reorganise and coordinate different fields of interest between any number of Arab countries which finally will lead to the Arab unity. But it is early to say that Democratic Yemen will become a member of the Arab Cooperation Council.

[Question] Do you think the European Community could be an example for cooperation in the Arab world, or even just for both Yemens?

[Answer] The European Community has achieved very good results. I think they started in the right way by concentrating on economics, and now they are tackling political aspects. In the past, the Arabs formed an Economic Unity Organisation. But it did not work because of political problems. But now these separate organizations—three of them—which have been formed in the Arab world (the GCC [Gulf Corporation Council], the ACC [Auxiliary Cadet Corps] and the UMA [Arab Maghreb Union]) are making use of the past experience of the Arabs. Economic affairs have priority. That's why I think the European experience is good and appreciated by many countries. And of course, the world today is small. People have to make use of any success achieved by any nations. It's one of the experiences from which our Arab countries may profit.

[Question] Since the upheaval of January 1986, there have been many political developments in South Yemen. Nowadays, people are even talking about a Yemeni perestroika.

[Answer] In Democratic Yemen, we are trying to draft a programme for a complete reconstruction of the economic, political and social aspects of our life, taking into account our past experience—in which, of course, a number of positive tasks have been achieved. But there are some mistakes which have been committed in the past as well. The main point of the programme will be the development of democracy. But productivity and other advantages can be achieved only when people feel that they can practise their rights and participate in decisions of the state and its organisations, democracy is a fundamental part of the new programme. We have just been discussing the new election law. The aim is to give more democracy to the people to practise their rights as stipulated in the constitution of Democratic Yemen.

[Question] Could you add some examples of how this election law is going to work?

[Answer] One of the changes in the law is that all people have the right to run in elections, and the results of the election will depend mainly on the number of votes achieved by the people. There is a 50 percent chance of success. Any member who gets less than 50 percent of the vote is not elected, but those who get more votes will be elected to the Council. In the past, we put up the list of the candidates, and we picked them in a special way, taking account of the number of workers, women, intellectuals, and so forth who were standing.

[Question] How important are the decisions by the Central Committee and the Political Bureau of the Yemen Socialist Party taken in November and December 1988 for the future development in the country?

[Answer] The Central Committee and the Political Bureau have already taken a number of measures in the economic and agricultural fields. This is only one step towards correcting some of the mistakes which have been committed. The new programme will try to follow this up in all areas—in the fields of economy, agriculture, fishery and so on. People are very eager to make use of these new regulations in the areas of marketing agricultural products and in production.

[Question] What kind of private enterprise is acceptable to you?

[Answer] Until now in agriculture we have accepted that the private sector should work in animal husbandry and poultry. There has been discussions about greater opportunities in agriculture and other aspects of business. We now have a law under discussion to encourage investment from Yemen, the Arab world and overseas in the field of industry. It will cover all areas of investment by the private sector, so that business can be entirely in the private sector or can be joint ventures between the public sector and the private sector.

YEMEN ARAB REPUBLIC

Governmental Agricultural Extension Efforts Assessed

44040253A Sanaa AL-THAWRAH in Arabic
23 Jan 89 p 10

Article by Salah 'Abdallah Hamzah

[Text] The agricultural extension system is considered the frontline of government work in the countryside, it being the foundation of comprehensive and integrated rural development, since it is working to change the people's mentality away from always doing things the wrong way. But through its presence and its constant, daily contact, extension has been and is able to change the attitude of these tradition-bound people towards right and wrong, and turn them into people who believe in science, abandon what is wrong, and choose what is right. Thus we see that the responsibility of agricultural extension is not an easy, simple operation, as some

imagine it to be, when compared to administrative or office jobs. Office jobs are not particularly difficult, but it is difficult to deal with field operations in the production field. It is not difficult to ask someone in an office to stamp the papers pertaining to his dealings, but there are problems when you deal in the area of field work and ask the farmer to add such and such a fertilizer to his field, use improved seeds in his planting, or use protective methods to protect his crop from agricultural pests, insects or diseases. The difficulty lies in convincing the farmers to follow modern agricultural ways and methods, since the agricultural extension system is considered the link between scientific and practical research and the production fields where it is actually applied by our brothers the farmers. That is, it transfers the positive results and practical and technical recommendations that research has arrived at that pertain to following modern agricultural methods, including various varieties of both field and horticultural crops, vegetables, and fruits. In contrast to production, there is the appearance, for example, of a specific pest or disease for a designated crop, so our brothers the researchers carry out research and issue new recommendations, and so on.

The extension system has been there on the Tihamah plain, in particular in Wadi Zabid since 1975, and in Wadi Rima' since 1980, and although its work has been limited to agricultural acreages, it has made great strides that cannot be treated lightly in teaching and training the brother farmers in farming methods, how to grow improved varieties, how to level the ground and make lines to make sure of getting the right distance between one plant and the next in planting and production, and in the methods of fertilization, irrigation, and insect control. About 10 extension and veterinary centers operating in agricultural areas have fallen within the scope of the project's work in Zabid, the details of which are as follows:

Extension Projects in Wadi Zabid, the Total Area of Which is 224,200 Hectares

The area of Wadi Zabid, which has been and will be covered by agricultural extension services, is about 15,000 hectares of crop land. In the agricultural regions of Wadi Zabid there are now about 10 extension centers working to introduce modern farming methods. They are as follows:

1. Zabid Center.
2. Al-Jarrahi Center.
3. Al-Tuhayta Center.
4. Al-Suls Center.
5. Al-Qaryah Center.
6. Al-Turaybah Center.

7. Mahall Mubarak Center.
8. Al-Murshidin Center.
9. al-Zuraybah Center.
10. Al-Jirbah Center.

Each of these centers does extension work over an area of up to 1500 hectares. Some of the land, estimated at 9828.4 hectares, is watered from the valley (floods), and by rain; some of the land, estimated at 7172 hectares, is watered by annual rains; and some of the land is watered by surface and underground wells. Moreover, about 8369 hectares have combined [sources of water]. The number of extension workers working in Wadi Zabid is 20, including assistants and supervisors. The number of motorcycles in the centers belonging to the extension workers is 14. As for the number of agricultural engineers working in Wadi Zabid, there are three supervisory engineers and one horticultural supervisory engineer.

Agricultural Extension Centers in Wadi Rima'

The area of crop land in the fertile valley of Wadi Rima' of the Tihamah plain is about 12,000 hectares. It has begun to enjoy agricultural extension work through eight extension centers, namely:

1. Al-Mahatt Center.
2. Al-Qurashiyah Center.
3. Al-Ghanimiyah Center.
4. Basbat Center.
5. Darban Center.
6. Al-Madan Center.
7. Al-Ghawadir Center.
8. Al-Mishrafah Center.

Note: among these eight centers there is an extension station at the maintenance workshop in al-Mishrafah.

Moreover the other center is in the form of a mobile home, and not an extension center. See details in the attached schedule pertaining to the extension centers and the like. Each of the aforementioned extension centers covers a crop area of up to 1000 hectares only.

Irrigation Methods in Wadi Rima'

The crop lands in Wadi Rima' are watered from several water sources, including:

- Lands that are watered from the valley, estimated at about 8752 hectares.

- Lands that are irrigated from underground wells, estimated at about 1292 hectares.
- Lands watered by seasonal rains, estimated at about 1956 hectares.

There are lands with combined sources (wells plus rain), and they are estimated at about 3,248.

The number of extension workers working in the extension centers in Wadi Rima' is around 15, likewise the number of motorcycles belonging to the extension workers in these centers is about 12. In addition to that, in the agricultural extension section there is a fruit engineer, as well as two engineers for grains and vegetables.

Also connected with the extension section is a branch for statistics and report gathering; three employees work in this branch. There is also a unit called the practical explanation unit, with three employees, as well as a unit called the farm machinery unit, which covers work in Wadi Rima' and Zabid, and which employs two technicians. This unit has the equipment needed to prepare the ground for leveling and planting, especially in the integrated extension farms which the Wadi Rima' project and the Zabid branch have worked and are working to implement among our brother farmers. The number of tractors operating in this unit is about 7, complete with farm implements and attachments.

Activities of the Agricultural Extension Section in the Rima' and Zabid Branch Projects Connected With the Tihamah Development Agency.

The activities of the agricultural extension section in the Rima' and the Zabid branch projects began at the start of 1986, moving from the demonstration field to the integrated extension farms, whose purpose is to invigorate farm work and improve the income level of farmers, in addition to teaching and training the farmers to follow a system of crop rotation in order to preserve the fertility of the land. That will be done by continuing the work on that farm for a period of 3 years. This prevailing system of setting up integrated extension farms was due to the existence of a competent administration capable of sacrifice and giving, embodied in the capable engineer Brother 'Abd-al-Rahman Rashid 'Abd-al-Mawla, former director of the Rima' and Zabid branch project, who by virtue of his efforts, devotion, and perseverance in his work achieved many of the pioneering accomplishments of the Rima' and Zabid branch projects. Keep in mind that work in the integrated extension farms includes the following:

1. Distributing the permanent fields (fruit). The administration of the two projects has established fruit orchards that include: guava, bananas, mango, papaya, custard apple, and date palms. The work plan of the of the integrated extension farms also included designating the areas that will be planted to various varieties of grain and vegetable crops, in addition to cotton and the rest of

the industrial crops. The plan also included modern irrigation networks in the extension farms, for preserving water reserves and reducing water wastage.

2. The plan also included designating areas for the planting of fodder with high productivity and nutritional value to livestock, and also setting up windbreaks in the integrated extension farms and making pens for livestock production. The total number of integrated extension farms implemented by the end of 1986 was about 8, and the area of each one is not less than 15-25 ma'ad. A ma'ad equals 40x40 [as published] length by breadth, that is, the equivalent of 60x60 square meters to a ma'ad, keeping in mind that one hectare equals 10,000 square meters. The project also has a model production extension farm in the al-Husayniyah region, and this farm aims at introducing modern, advanced technical methods to agriculture, in addition to training farmers and technicians, as well as extension workers and home economists, or what are called the rural development unit in the project.

The extension section also establishes specialized extension units for fruits, vegetables, grains, oilcrops. These units cover the regions of the project's work.

The total number of extension units during 1986 was up to about 36, over a total area of 89,19 [as published] ma'ad.

The agricultural extension system is also carrying out a project to set up demonstration fields on the farmers' farms.

The total number of demonstration fields set up during 1986 was about 141 fields on a total area of 117,19 [as published].

During my field trip to the Rima' and Zabid branch projects, and especially in the extension centers, I noticed unique records of a kind that is not found even in the extension complexes connected with the the southern heights project. These records amount to a complete, precise, statistical study, except that it does not include all farmers, rather it includes everyone who deals with the extension center. They cover statistical activities in each region in a continuous manner, and they amount to a comprehensive statistical report of the region taken by way of sample.

Our brothers the extension workers in these extension centers deserve appreciation for their efforts made in the process of changing the mentality of the farmers by teaching them what is the right and wrong way so as to get them to choose what is right and abandon what is wrong in traditional agriculture, and to accept the use of modern farming methods. It is not difficult for us to build a castle, establish a farm, or set up a factory, but it is difficult to move a person from one situation to another with a rapid change in his way of thinking,

especially since it is in the nature of the Yemeni farmer not to be convinced except by what is tangible and visible, and his single goal is get a lot out of his land.

We are grateful for the efforts of our brothers the extension workers. These efforts of theirs are not limited only to agricultural extension work, but have extended to the pedagogical field, since in regard to this some of the extension centers in Wadi Zabid and Rima' were teaching about 138 persons, according to what is recorded in the 1986 records of some of the centers working in this respect.

In addition to what has been previously mentioned, the project also trains farmers how to maintain the farm tractors that they have, and teaches them the sound bases of using various farm machines, either by using those available to the farmer, or by setting up practical field days, during which the use of plowing implements available from the project, which are transferred to the regions of the meetings, is explained. They are put in operation for the farmers, who are taught how to maintain and use them by actually seeing them. The project also teaches the farmers farm operations using modern farming implements, such as the disadvantages of deep plowing, and the use of modern pivots and threshers. The number of field days that were held by the extension centers during 1986 was about 13 in Wadi Zabid, and about 7 in Wadi Rima'.

An important note: There are plenty of extension centers, and the agricultural extension workers are there in those centers, but they do not know what they are doing or with what they are teaching or asking for, and what is needed for agricultural extension is lacking, and what is available is at unrealistic, unreasonable prices. The Cooperative Agricultural Loan Bank has gone far beyond its principle purpose, along with its scattered branches. The bank, represented by various branches, has come to be a go-between between the producing farms and the wholesale merchants of farm machinery only.

If a farmer wants a loan, he loses twice the loan to get the loan. For example, a box of tomato seeds costs 50 to 500 riyals, but in the market the box costs only 5-20 riyals.

The same goes for pesticides, a box of which now costs 50 to 200 riyals, not to mention the rise in fuel for machinery and water pumps, labor wages, as well as the rise in the cost of spare parts. So how will a farmer farm, and who will guarantee his losses if his crop is ruined, what with these unrealistic costs, and the lack of organized marketing for his daily produce?

What is the role of the agricultural extension worker to the farmer amidst this gathering mist of waves of escalating price hikes? How will he direct him, and with what? That is what is important.

Even though there are plenty of extension centers and extension workers, extension work has come to see unprecedented stagnation and inertia. And even though there has been extension work on the Tihamah plain for quite a while, it has not brought about any change in crop composition.

As for the extension farms that were set up to cover the defects in the extension system, they have perished and the work in the has gone backwards.

The best indication of that is the situation of the al-Husayniyah farm, in which no development or improvement has taken place from 1986 to 1988, and it is now in a lamentable state. The project has concentrated its attention on the plant nursery, which reaps rapid profits. Since the arable area in Wadi Rima' is 12,000 hectares, then what is utilized of it does not exceed 10 hectares. It is the same in Zabid, where the area is 16,000 hectares, of which only 8 hectares are covered, and the rest of the area is planted to fodder. Where then is the extension system?

AFGHANISTAN

Mujahidin Leaders Discuss Postwar Government *46040006 London AL-HAWADITH in Arabic* *3 Mar 89 pp 38-39*

[Text] Muhammad Nabi Muhammadi, the president of the new Afghan state, stated to AL-HAWADITH that the Afghan jihad will raise the banner of the Islamic jihad over Kabul soon. He added that the new government will be based on the Islamic shari'ah as the state's method and procedure, and that the laws of the country will all be based on Koranic law.

He called on the states of the world to recognize the new state expeditiously when it is proclaimed, and to exchange diplomatic representations with it. He added that he will dispatch envoys to the leaders of the states of the world, who will carry personal messages from him bearing the stamps of the new government of Afghanistan following the capture of Kabul. He will also go to the UN to proclaim, on its dais, the start of a new era based on a just peace, the right of all peoples to determine their fate, and the end of the method of military invasion.

Muhammadi expressed thanks and appreciation to all forces of peace that aided and supported the Afghan Mujahidin during their bitter fight with Soviet forces and the Afghan Communist Party. He stated: "I want especially to thank the custodian of the two holy places, Mecca and Medina, King Fahd Ibn 'Abd-al-'Aziz. He was an Islamic freedom fighter leader who helped us with all the capabilities available to his country and people. I derived guidance as to bases, support, and backing for our holy war's beginnings from the spiritual wellspring of his country and its Islamic position, which is based on the presence of the two Holy Places on its territory. We also thank the government, people and political and religious leadership of Pakistan for their backing and support, and their hosting of millions of our immigrant people.

Three Afghan mujahidin leaders, Engineer Gulbuddin Hekmatyar, the secretary of the Islamic Party, Shaykh Sibqatullah Mujaddedi, the leader of the National Salvation Front, and Burhanuddin Rabbani, the leader of the Islamic Association, emphasized to AL-HAWADITH the importance of Islamic support for the new Afghan state under the presidency of Shaykh Muhammad Nabi Muhammadi. The announcement of executive reorganization took place on the tenth day of the meeting of the Afghan Shura Council in Rawalpindi.

The three mujahidin leaders affirmed the importance of Saudi support for the Afghan Islamic jihad during the past 10 years. They also affirmed that Saudi Arabia, under the leadership of the custodian of the two holy places, mobilized all political, spiritual and material capabilities to support the different groups of mujahidin. They stated that the Arab and Islamic media had doubled responsibilities in this period in which the jihad is

gathering strength to enter Kabul, steer the helm of government from there, and restore Afghanistan's effective international role as a participant in international and Islamic organizations.

The three leaders stated to AL-HAWADITH that the desired media role is based on 10 premises:

1. The next Afghan government will be based on the Islamic shari'ah, and that the noble Koran is the authority.

2. The international policy of Afghanistan will proceed according to Koranic law, which impels us to respect our neighbor and its internal sovereignty, not to intervene in its affairs, and to cooperate effectively with it in order to serve the two peoples, the peoples of the entire region, and consequently, the peoples of the world.

3. There is no animosity toward the Soviet Union in particular. Rather, we extend it a helping hand according to what we have declared about respect for the sovereignty of states on their own territory, and the right of peoples to determine their own affairs by themselves, without intervention.

4. It is correct that there are several differences of opinion. This is a democratic principle which accords with Islamic precepts; however, a unified opinion and a unified government have been selected through consent and agreement. It was agreed that the government should be composed of 35 ministers, including 14 ministerial positions for the seven parties of the alliance, seven ministerial positions for the mujahidin inside the country, seven for the immigrants abroad, four ministerial positions for the eight parties based in Iran, and three ministerial positions from Kabul.

5. Fear of civil war is unjustified. The mujahidin have a difficult task, which is to reach Kabul without bloodshed. The task of the government is to enter Kabul. The temporary Shura Council will be disbanded after the formation of a government, which is pending legitimate elections next November.

6. The mujahidin will continue to besiege the large cities until their surrender, and the entrance of the mujahidin into them with the fewest losses possible. A million and a half martyrs, and the expulsion of more than five million Afghans during a 10-year period are sufficient for us.

7. The next Afghan government will maintain a special relationship with neighboring Pakistan and Iran, which have been supporters of the Islamic jihad throughout its duration.

8. Governmental departments will be broad-based, with all groups of Afghan society participating, except members of the Communist Party.

9. The Afghan people know no Sunni, Shi'ite, or other confessional affiliation. Koranic law is the conclusive authority in all affairs of the country, and we desire that our brothers currently in Iran participate in the Shura Council and the government. Our differences with them over the number will not last long, especially since a 14-member committee has been formed under the chairmanship of Jalal Haqqani to contact the eight parties in Iran, and to reach an agreement with them on all the details in order to lay the foundation for national unity.

10. The government of Najibullah will leave Kabul in defeat after Soviet forces have left Kabul, having encountered resolve on the part of the masses of the people inside Kabul to liberate the city without fighting. This is indicated by the fact that Najibullah sent his family to Mazar-e Sharif in the north, which he surrounded with five security belts in preparation for his flight there, there having been only three such belts. In addition, the families of Communist Party officials have also moved to "Mazar-e Sharif," and the Iranian Communist Party (Tudeh), which had adopted Kabul as its headquarters, has made plans to depart for Moscow in 2 weeks.

In order to defend Kabul, the Najibullah regime is currently attempting to arm and shower its party militias, estimated at 40,000 elements, with money. Field Commander 'Abdul Haq, an Islamic Party leader, told AL-HAWADITH that Kabul will be safe from destruction and bloodshed in the event that it is surrendered.

Gulbuddin Hekmatyar stated, "We will declare a general amnesty instead of revenge, retaliation and violence when we conquer Kabul and all the other cities, and we will treat our people in Kabul with mercy and sympathy in emulation of the right guidance of the prophet of God, God bless him and grant him salvation, when he conquered noble Mecca."

Burhanuddin Rabbani stated that the mujahidin "are setting out, God willing, for Kabul bearing the banner of unity. We are facing an important phase, the reconstruction phase. We will choose the transition phase, whose importance we acknowledge, especially during the social and political transformations which descend upon states."

[Box on p 39]

Muhammad Nabi Muhammadi - Biodata

- A prominent member of the ulema, excels in Arabic, Pashto and Persian.
- 69 years old.
- Imprisoned at the start of the era of Ahmad Dawud, when he opposed his campaign against the Islamists.
- Joined the Islamic opposition in Peshawar in 1974.
- Was elected in 1979 as the leader of the Inqilab-e Islamic Federation, composed at the time of the Islamic Association under the chairmanship of

Burhanuddin Rabbani, and the Islamic Party, under the chairmanship of Hekmatyar.

- With the withdrawal of the two parties from the federation, he continued as the chairman of the Inqilab-e Islami. He then allied himself with Sibqatullah Mujaddedi and Sayyid Gilani in a federation which was dissolved in 1987 with the announcement of the current mujahidin federation.

BANGLADESH

'Arafat Press Conference

46001412 Dhaka THE BANGLADESH OBSERVER in English 12 Mar 89 pp 1, 10

[Text] Bangladesh on Saturday conveyed to the Palestine Liberation Organization in unequivocal terms its "total and all out" support to the Palestinian people till their final victory, reports BSS.

Dhaka reiterated its unwavering support to the Palestinian cause during the official talks in Dhaka President Hussain Muhammad Ershad had with visiting PLO Chairman Yasir 'Arafat.

The hour-long talks held at the state guest house "Korotoa" were marked by traditional warmth and brotherly atmosphere that mark the Bangladesh-PLO ties, an official spokesman said.

Mr. Yasir 'Arafat, during the discussions, once again thanked President Ershad and Bangladesh for relentless support to the just cause of Palestinian people and expressed his conviction that his fellow struggling people would reach the zenith of success in not too distant a future.

President Ershad was assisted in the talks among others by Foreign Minister Anisul Islam Mahmud, Principal Secretary to the President A.H.F.K. Sadeque, Foreign Secretary [Faruq Ahmed Choudhury?], and Director General in the Foreign Ministry Kazi Nazrul Islam.

The PLO Chairman was aided among others by head of PLO Political Department Faruq Qaddumi, Adviser to the Chairman for Arabic and Asian Affairs Sulayman al-Shwafah and head of the embassy of Palestine state in Bangladesh Muhammad Shatta.

President Ershad said that the Palestine cause was very "close of Bangladesh's heart" and expressed his country's happiness to be among the first nations to recognize the new state. He also lauded the long and heroic role of 'Arafat for the remarkable achievement in the form of declaration of the Palestine state that had also isolated Israel in the world affairs.

The President mentioned the cessation of war in the Gulf, withdrawal of Soviet troops from Afghanistan and said all these augured well for reduction of tensions.

He thanked Mr 'Arafat for his sympathy during Bangladesh's catastrophic floods and the concern of the Palestinian people for the welfare of Bangladesh people.

The PLO leader expressed his deep gratitude to Bangladesh for the continuing an all-out support to Palestinian causes and noted with admiration that Dhaka was among the first to recognize the Palestine state.

He referred to the participation of Bangladesh freedom fighters along with Palestinian freedom fighters in the Middle East and said martyrdom by many of these Bangladesh fighters spoke of their brotherly and total commitment to "our causes."

President Hussain Muhammad Ershad said on Saturday that the government and the people of Bangladesh would continue to remain by the side of their Palestinian brethren in their just struggle to establish their homeland—the independent Palestine state.

The President was speaking at the inauguration and foundation stone laying ceremony of the Embassy of the State of Palestine at Baridhara. Palestine Liberation Organization Chairman Yasir 'Arafat also spoke on the occasion.

President Ershad and PLO Chairman Yasir 'Arafat jointly laid the foundation stone of the embassy on one acre of land gifted by Bangladesh government as a gesture of goodwill and friendship to the people of Palestine.

They also hoisted jointly the flag of the Palestine State at the venue of the Embassy while the national anthem of the Palestine State was played.

The PLO leader also lauded President Ershad for the role he played in reduction of tensions in the Gulf war and hoped Dhaka would continue to work for world peace and stability.

INDIA

AIADMK Leader Denies Resigning Post
46001383 Madras THE HINDU in English
20 Mar 89 p 1

[Article: "Jayalalitha Denies Having Decided To Quit Politics"]

[Text] Madras, March 19—The General Secretary of the AIADMK [All India Dravida Munnetra Kazhagam], Ms. Jayalalitha, today denied she had decided to quit politics or had sent the resignation of her membership of the State Assembly.

Newspaper offices in the city got around midnight last night a statement by Ms. Jayalalitha announcing her decision to quit politics on health grounds. The Deputy General Secretary of the party, Mr. S. D. Somasundaram, had stated that the issue of the statement was not authorised by her.

Ms. Jayalalitha met presspersons at her Poes Garden residence this morning and read out a prepared statement denying the press reports. "I have not sent any resignation to the Speaker of the Assembly either directly or through any messenger or by post. Nor was any statement released by me or by my office announcing my decision to quit politics," she said.

The AIADMK, leader, who had a blanket on her because of indisposition, stated that she was not keeping good health since 1987, and on medical advice to reduce her work load, she prepared a statement and a letter to the Speaker on March 15 and had given them to her family friend, Mr. Natarajan. However, at the request of the party leaders, she had told Mr. Natarajan not to send the statement to the press and the letter to the Speaker.

'Diverting people's attention': Ms. Jayalalitha alleged that with a view to diverting the people's attention from the recent electoral success of the AIADMK and tarnishing her political image, the DMK [Dravidian Progressive Foundation] leader, Mr. M. Karunanidhi, had unlawfully utilised the police and released to the press her statement and her resignation letter.

She informed her party workers that she had neither resigned from the Assembly nor quit politics, and appealed to them to continue their work ignoring any "malicious propaganda."

Tension in party headquarters: In the morning, there was tension in front of the AIADMK party headquarters of Lloyds Road and near Ms. Jayalalitha's residence, with agitated party workers wanting to know if the reports in the morning's newspapers were true.

Senior party leaders, including Mr. S. Raghavanandam, Mr. S. D. Somasundaram, Mr. S. Thirunavukkarasu, Dr. H. V. Hande, Mr. K. Rajaram, Mr. K.K.S.S.R. Ramachandran, Mr. S. Madhavan and Mr. C. Aranganayagam as also the Deputy Speaker of the Lok Sabha, Mr. Thambi Durai, were present when Ms. Jayalalitha met the reporters.

Treasurer's charge: The AIADMK Treasurer, Mr. S. Madhavan, pointed out that in the acknowledgment the raiding team had given after searching the residence of Mr. M. Natarajan on Saturday, the police had listed among the documents seized, a sealed cover addressed to the Speaker, which they opened and found to be the resignation letter of Ms. Jayalalitha. "What right have the police to open the sealed cover and forward it to the Speakers," he asked.

Mr. Madhavan alleged that the arrest of Mr. Natarajan and the raid of his house came only after the police knew that the statement and the resignation letter of Ms. Jayalalitha were at his residence. "An intelligence official met me on March 16 and enquired about the resignation of Ms. Jayalalitha and I told him that it was all over and there was no question of her quitting. Obviously, they sensed that the letter was with Mr. Natarajan and raided his house to recover it and release it to the press," he said.

PAKISTAN

Proposed Referendum on Eighth Amendment Denounced

46560027B Lahore NAWA-I-WAQT in Urdu
25 Feb 89 p 10

[Editorial: "The Eighth Amendment Is Not Subject to Referendum"]

[Text] Syed Iftikhar Gailani, federal minister for justice and parliamentary affairs, announced in a speech made in Lahore that he would advise the government to break up the parliament if the parliament rejects the results of a referendum on the Eighth Amendment. The respected minister granted in his speech that the constitution cannot be changed by a referendum, and in the same breath he threatened to break up the parliament if it refused to accept the results of a referendum. First of all, it is wrong to make the Eighth Amendment an issue for a referendum. The Eighth Amendment is so complicated that a common man cannot even understand it. How can we expect common people to understand it when even constitutional experts have difficulty in analyzing this amendment? The Pakistan People's Party (PPP) considers this amendment as a road block in its plan to implement the mandate it received on 16 November. The PPP is struggling to gain a numerical majority and is also trying to break the chains that bind its political hand in the form of the Eighth Amendment. The real goal of the PPP is to form a powerful government. Only the people can give such power by new elections. The PPP is moving toward a midterm election by these excuses. New elections can be held ahead of schedule and a government has the right to announce midterm elections. However, it behooves to test the structure of government that came into power after the November 1988 elections and all efforts should be made to make it successful. Making the Eighth Amendment an issue of a referendum shows that they do not want to try to make the government work. Instead, they are stubbornly trying to find ways to throw the opposition members out of the legislative assemblies.

PPP, IJI Confrontation Seen Creating Fourth Martial Law

46560029 Islamabad HURMAT in Urdu
26 Mar-1 Apr 89 pp 7-10

[Article by Bashir Sarfi: "The Shadows of the Fourth Martial Law"]

[Text] Is the sun of democracy that rose as the result of the November elections once again being threatened by another eclipse in the form of a martial law? Who is behind this confrontation between Punjab and the federal government? Are the political leaders disappointed with the future of the democracy in our country? Who ordered the firing at the demonstration against Salman Rushdie's book? Who is responsible for the death of 6 people in this incident? What was all that about dissolving Baluchistan assembly? What do the formation of forward blocks in the PPP and the IJI indicate? Why did the Eighth Amendment become an issue for confrontation? What was the purpose in disturbing the peace in Faisalabad? The major political parties are loudly talking about their pride in democracy and their role in its implementation. Their actions, however, do not reflect their words. Is the nation once again being pushed toward a martial law regime? It appears that our political leaders have not learned anything from the 1977 political confrontation and its results. We see fear in the eyes of compassionate politicians, journalists, intellectuals, and those who believe in implementing the constitution. What will happen if another martial law is imposed? The picture that comes to our mind is very scary.

According to knowledgeable sources in the capital, secret forces are busy working in the country and abroad to find ways to replace the democratic government with a martial law regime. These forces consider democracy and adherence to the constitution equal to death. They want a one-person government at any cost. Democracy is the season of spring for the realization of the ideals and desires of a nation. Everything looks clear and bright in the glorious sunlight of the democracy. Legislative assemblies emerge as the implementers of people's desires and feelings. All conspiracies against it fail because of its success. Pakistan needs a democratic government to solve the problems it is facing now. There are grave problems like poverty, illiteracy, disease, lack of facilities in urban areas, mediocre performance of our agricultural and industrial sectors, and the deficit economy. We are facing an unbelievable situation on our eastern and western borders. The autocratic government of the last 11 years has totally destroyed our social structure. Communal and provincial prejudice have increased. Video culture, kalashnikov, and the use of heroin have destroyed the thinking power of our youth which is essential for our existence as a society. Democracy and respect for democratic institutions is the only way to get out of this vortex of problems. That is why the

November 1988 elections were considered a revolutionary step heralding a golden era for Pakistan. We were legitimately hoping we will not even think about ignoring the constitution or democracy again.

However, the events of last 3 months appear to point toward a different path. The situation is deteriorating rapidly and, according to Amir Abdullah Rokri and Jahangir Shah Jomezai, two veteran senate members, if the situation does not improve, we will have another martial law by June. Chowdhary Shujaat Hussain, former federal minister and leader of the Islami Jamhoori Ittehad [IJI], expressing his fears about the martial law, said that only the PPP will benefit from the imposition of the fourth martial law. His political opponents, however, maintain that the parties included in the IJI have always liked a martial law regime. Asif Fasihuddin Vardag, Rana Nazir Ahmad, Chowdhary Mohammad Hayat, Rana Phool Mohammad Khan, and Akhtar Abbas Bharwana, Islami Jamhoori Ittehad members of the national or provincial assemblies, have accused the PPP federal ministers and legislators of paving the way for another martial law regime. They have predicted that the PPP government will dissolve with the budget session. Ghaush Bux Bizenjo, the veteran politician and the leader of the Pakistan National Party, has also indicated that there is a possibility of an emergency rule being declared or a martial law being imposed any time. Commenting on the tension between Punjab and the central government, he said that the desire of Punjabis for provincial autonomy is a welcome sign. Retired Air Marshal Ashghar Khan, leader of the Tehrik-i Istiqlal, has said that various events around the country clearly indicate the possibility of a martial law. Ghulam Mustafa Jatoi said in Lahore that the PPP government was pushing the country toward a martial law regime. He added that if a martial law is imposed, it should be blamed on the PPP leadership only.

According to political observers, the PPP lacks the resources to solve the problems it is facing. Prime Minister Madam Bhutto has mentioned this predicament several times. She is presented with thousands of requests while she tours the country. These are requests for getting jobs, starting businesses, getting financial assistance, for help on account of suffering received during the martial law regime, and for justice. The prime minister said that the resources in the country when compared to the problems were like a drop in the ocean. She consoles people looking for jobs, help, and justice and tells them that she will do something to help them. She knows, however, that the lack of required resources is the greatest block in the road to progress. She is also aware that her party is losing popularity rapidly because it cannot fulfill the promises it made during the elections. PPP's defeat in the Lahore election also shows its decreasing popularity. The government needs \$60 billion during the next 5 years to create new jobs, modernize the agricultural system, and establish a stable economic system. The World Bank and the International Monetary

Fund appear to be reluctant in lending such a huge amount. They have levied such conditions even for smaller loans that any party in power can totally lose its popularity.

According to observers, the PPP has already realized the whole situation. Instead of staying as a party which is not very popular, it prefers to be known as an oppressed but successful party. Of course, this role of the oppressed can be maintained only if a dictator forces it out.

Meanwhile the IJI has established a government in Punjab although the insiders know that the parties in the IJI lack unity and agreement on philosophy, ideology, and purpose. Various Muslim League leaders have declared this coalition of the Muslim League and Jamaat-e Islami (JI) improper and contrary to the League's fundamental goals. These leaders consider JI's ineffective planning strategy the major reason for IJI's defeat during the last elections. They declare that the JI is these days regarded by Mian Saheb [Mian Nawaz Sharif], the chief minister of the state, as his 'think tank', and he in his ignorance is busy destroying the credibility of the Muslim League. At the same time, an impressive number of zealous and active members of the JI see the identity of their party being damaged by its association with the League. While these parties have come together because of the fear of PPP's popularity, the facade of their unity formed due to party and group interests can come off any time. Mian Nawaz Sharif has managed to be a perpetual headache for the central government, but, according to insiders, he is beset with many problems and anxieties. He wants to merge the powers of the government and the party in his person. This situation is not acceptable to the JI and other parties. Even the Muslim League is putting more pressure on him.

Chowdhary Anwar Aziz, an assembly member, while referring to the political problems that Nawaz Sharif is facing, said that Mian Sahib was the product of the martial law. A Muslim League leader, who was once the province's finance minister, calls Mian Sahib the death of democracy, Punjab, and Punjabi people.

If the inner strife within the IJI comes out in the open, it would have a very negative effect on the country's political situation. It will not only hurt the IJI government, but will also create tension and bitterness in the political atmosphere. The PPP will obviously try to come up front to fill the vacuum caused by this situation. As it is, within the PPP Mr Manzoor Mohil is busy solidifying his forward bloc, calling his activities 'a service to democracy.' The PPP government at the center depends on the support of MQM [Muhajir Qaumi Movement] and tribal legislators. No clause of its [PPP's] agreement with the MQM has never been acted on. The plans to solve the problems of the residents of Karachi and Hyderabad never went further than the promises. The fiery young members of the MQM do not see any benefit from this agreement and have started talking about breaking it. Thus, the PPP, even if succeeds in ousting

Mian Nawaz Sharif from Punjab, will still face serious problems in the center on account of MQM. Professor Ghafoor Ahmad said in a very suggestive way said that if the no confidence motion against the Punjab government is passed, then the PPP will not be able to escape a no confidence motion at the center!

Their only way to avoid this scenario is mutual understanding and cooperation between the two parties. The knowledgeable circles in the capital have indicated that instead of taking the route of negotiation, the PPP has decided to give a hard blow to the Punjab government. As a first step in this direction, the PPP has decided to take action against those government officials who are politically inclined toward the IJI. The possibility of the two political powers ever reconciling seems to be disappearing. The prime minister removed all doubts in this regard by refusing the invitation of Punjab chief minister to be the guest of honor at a horse show. In retaliation, the chief minister called Ghulam Mustafa Jatoi, the "future prime minister" and feted the Sindhi leader, recently elected [to the National Assembly] in the Kot Addu by-election, as if he was in fact the prime minister!

Extremely knowledgeable sources have informed us that the central government has decided in a cabinet meeting that there will be no talks for possible reconciliation or understanding with the IJI. In another high level meeting, various responses to silence the continuing criticism from religious leaders with regard to the fact that the prime minister was a woman were considered. It was also proposed during this session to call a meeting of the religious leaders who support the PPP and ask them to support the "religious propriety" of the prime minister being a woman. However, some of the religious leaders present at the session did not agree with this idea. They suggested that instead the government should announce the implementation of Islamic religious laws. This suggestion was also rejected and it was decided that the government will use force against anti-government elements in the Islamic clergy within the IJI camp. The firing on the demonstrators against Rushdie's satanic book appears to be a part of this strategy. It means that the PPP has decided to show and use force as part of its policy. According to a HURMAT source, a critical situation involving law and order in Punjab would be developed as a part of this strategy. This will start with a confrontation between Punjab University student groups followed by armed clashes and firings. The PPP will thus dismiss the Punjab government on the law and order pretext.

This is in fact just the first round of this fight. In the second round, the organized forces of the JI and IJI will come out in the streets to eliminate the PPP government at the center. Thus, the reason that the PPP will use to finish the provincial government will become the cause of its own demise.

The imposition of martial law has thus become a necessity for the PPP. Either it has to accept the inevitability of martial law or accept its role as an unpopular and

unsuccessful party in power surrounded with problems. Given this background, we can well understand Chowdhary Shujaat Hussain's comment that only the PPP will benefit if the fourth martial law is promulgated. The PPP can maintain its image as the oppressed party only under this scenario.

Meanwhile, politicians in the province capital, government officials, law enforcement authorities, and intelligence agencies have expressed the fear that the confrontation between the PPP and the IJI has taken a dangerous turn. The central government has started to put pressure on Punjab from all sides. The PPP legislators and ministers have aimed their guns at Nawaz Sharif since Prime Minister Benazir Bhutto's statement last week that the IJI must stop its activities against the federal government. The IJI has the majority in the Senate now. The PPP tried very hard to get the support of the Senate members in the beginning and, after it failed in its efforts, it decided to change this majority into a minority by demanding the dissolution of the Senate and asking for new elections. Political observers consider a demand to dissolve the senate equivalent to cutting the roots of democracy. The PPP prime minister talks about the constitution and the law while her advisers insist upon breaking up the senate without any legal, moral, or constitutional reason. Constitutional experts are saying that the only reason the PPP would want to break up the senate is to have a martial law imposed and totally wrap up the institution of democracy. PPP's national and provincial legislators have openly declared that the days of the Punjab government are numbered and the provincial government would be thrown out within the next month. According to intelligence sources, the Punjab chief minister has the full support of the province bureaucracy and the bureaucracy's steel grip on all administrative aspects will help the chief minister. According to a high level Punjab police official, the center cadre of officials deputed to Punjab have expressed a serious, though quiet, concern about the central government's repeated intervention [in Punjab affairs] and expressed the view that the center, without consulting the province administration, transferred the chief secretary and the inspector general of the police on the suspicion that they were supporting the Punjab government.

Even though several leaders have suggested mediation between the center and the Punjab government, the clouds of suspicion and distrust are becoming darker on the political horizon. According to reports in Lahore, the Punjab government will use Islami Jamiat-e Tulba, the powerful student wing of the JI party, to fight back any attempts by the PPP to oust it under the excuse of restoring law and order. A spokesman of the chief minister has confirmed the fact that the Islami Jamiat-e Tulba fully supports the chief minister.

After taking in consideration this whole background we cannot disagree with the prediction made by Amir Abdullah Rokri and Jahangir Jogezeai of a martial law

regime by June. The federal budget will be presented in the end of May or in the first week of June. This would give the federal government the opportunity to put the squeeze on Nawaz Sharif in economic terms and the two opposing political forces will reach a point of no return leading to the martial law.

Those who have an interest in democratic values and the flowering of democracy here do not want this to happen. We hope that the relationship between Punjab and the central government takes a turn which is in accordance with the interests of the people and the nation.

Punjab's Offer To Settle Biharis Praised
46560027A Lahore NAWA-I-WAQT in Urdu
25 Feb 89 pp 9,12

[Article by Nayyar Alvi: "A Heartwarming Call"]

[Excerpts] This [offer to settle Biharis in Punjab] is an excellent example of patriotism, bravery, and generosity. This warm call emerged from Lahore, the heart of Pakistan, and warmed millions of hearts. Mian Nawaz Sharif, chief minister of Punjab, has announced that his government is willing to rehabilitate all the Pakistanis besieged in Bangladesh. He said that the federal government should work on the problem of moving them to Pakistan and he would be willing to help them settle in Punjab. Mian Nawaz Sharif's announcement has changed the atmosphere of helplessness and restlessness suddenly and has raised hopes for a satisfactory and humane solution of this problem, a solution of which a country can be proud of. [passage omitted]

A delegation composed of six members of the Pakistan Senate, Syed Mazhar Ali, Tariq Chaudhary, Fasih Iqbal, Nur Jehan Panizai, and Subedar Khan Mandokhel, under the leadership of Jehangir Shah Jomezai, visited Bangladesh and inspected the conditions under which 250,000 Pakistanis live in the 23 refugee camps there. This delegations described the conditions of these people in the recent session of the Senate. These details were hair-raising. A whole family of six to eight people was living in a six by six feet tent or a hut. They received about 8 pounds of flour per person per month. Small children as young as 12 years of age try to make a living by pulling rickshaws. Abduction of girls is very common. There are no schools or latrine facilities in these camps. The lanes are only one or two feet wide. The roofs are made of mats. Epidemics are common and land traders often burn their huts. These people have not given up hope despite all these problems. They still raise Pakistani flags on their huts and their broken walls are still adorned with the pictures of Pakistan's founder Quaid-e Azam Mohammad Ali Jinnah.

Senator Tariq Chowdhary gave a heartbreaking account of these Pakistanis in the camps in his speech. He said that whole families were living in space less than a grave.

It is not possible to get an idea of how difficult and painful life is in those camps. Senator Tariq Chowdhary asked: Should the Afghan refugees living in the Wakhan corridor be refused entry into Afghanistan simply because it was under the Soviet rule? Should they be deprived of their Afghan citizenship because of the Soviet occupation? He further asked if people living in Faisalabad would go and demonstrate at the airport if some Pakistanis living in London or Saudi Arabia returned home? Will they demand that these Pakistani citizens not be allowed entry since they would steal our jobs and businesses? He asked if such a demand was fair. Senator Chowdhary suggested that we rehabilitate all returning Pakistanis in the Faisalabad area. They should not be allowed to travel to Sindh and Karachi if Sindhis object to their return. "The besieged (Pakistanis) are as Pakistani as myself and my children," he said. He also suggested that those Pakistanis who can afford to move to Pakistan or any other country should be issued passports and identity cards through the Pakistan embassy in Dhaka.

Senator Syed Mazhar Ali told the House that a whole generation of Pakistanis had sacrificed their lives waiting to return to Pakistan and another generation had taken its place in the waiting line. He asked if defending one's country or raising one's national flag were such serious crimes that generation after generation be punished for these. Since we have already punished the old and the young, are we not willing to forgive even the children, he asked. Senator Syed Mazhar Ali proposed a 4-year plan for moving these 250,000 Pakistanis. This plan will require about three billion rupees. This amount will cover all transportation, rehabilitation, and employment expenses. This plan will require 750 million rupees during its first year, of which 300 million rupees have already been collected. He added that this was not a very difficult task for people if they had courage, patience, and patriotism. He also said that the small group in Sind that opposes this plan can be brought around by negotiations and discussions.

The real problem is that a small group of original Sindhis are afraid that the arrival of these Pakistanis will make them a minority. The truth is that the whole politics in Sindh has been controlled by this specific fear. The Punjabi, Pathan, and Muhajir politics are also affected by this. Now that Punjab and its leaders, especially chief minister Mian Nawaz Khan Sharif, have agreed to accept full responsibility for these Pakistanis, the Sindhi leaders should feel relieved. They should not be a hurdle in Pakistanis' return to Pakistan. The PPP [Pakistan People's Party] government and Prime Minister Benazir Bhutto should perform their duty in this regard. The wound inflicted in one era of PPP rule will thus be healed in another PPP administration, and it should not be very hard to imagine the long-term political benefits resulting from this action.

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