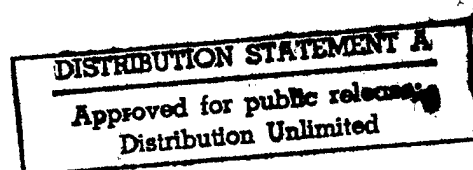


JPRS Report

Near East & South Asia



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JPRS-NEA-89-033

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**Unity, Organization Seen as Foundation of
'National Policy'**

46050022b Beirut AZTAG in Armenian 28 Feb 89 p 1

[Editorial: "With the Determination of National Reconstruction"]

[Excerpts] It has been one year since the genocidal massacre of Sumgait where a bestial Azeri mob slaughtered Armenian women, old people and children and raped, looted and burned with recurring racist passion and with the indirect instigation of Baku's murderous leadership.

This collective crime was followed by numerous other genocidal incidents in Khojalu, Kirovabad, Nakhichevan, Baku and other regions bordering Armenia. But Sumgait remains the showpiece of Turkish genocidal policy and the practice of lionizing its perpetrators and, as such, the guidepost of Armenian national policy. [passage omitted]

Sumgait is not only a genocidal act, but also the bridge which links Baku to Ankara and the mirror which reflects pan-Turkish dreams extending from Istanbul to Central Asia.

If the 1 million demonstrators in Yerevan were expressing the pan-Armenian reevaluation of the Armenian cause, then Sumgait represents the rejection of both Armenian territorial demands and the existence of the Armenian nation by the enemies of the Armenian Cause.

Faced with a geopolitical and cultural conflict that is rooted in the depths of history, the Armenian nation naturally looked north, to Gorbachevian reform, restructuring and public candor, for help. The Armenian nation hoped that Stalin's injustice would be rectified and that Artsakh would be returned to the Motherland. A disgusted Armenian nation expected that the central authorities would teach the perpetrator of genocide the lesson it deserved and that that would be the first example of the justice-seeking goals of restructuring.

But the authorities wanted to ignore the truth and justice and to view Armenia and Azerbaijan, the victim and the criminal, on an equivalent footing. This imperialist policy resulted in the unleashing of racist persecution, massacres, deportation and exile against the Armenian population of Azerbaijan.

This horrible repetition of history also reinforced the historical lesson that the strength of the Armenian people lies in its united and collective organization, that there can be no victory without a long and persistent battle and that Armenian national policy must go beyond immediate emotional reactions and rise to the level of conscious effort and mature political strategy.

The conscious effort of the Armenian nation will have in mind that the restrained and honest attitude of the Armenian people was met with massacres and pan-Turkist policies.

The organizing forces of the Armenian nation will depart from the understanding that Moscow's policy is pro-Armenian only in proportion to the economic, social and cultural power the Armenian nation represents. The reunification of Artsakh with Armenia depends on the collective strength of the Armenian nation.

The earthquake that devastated our homeland is a natural calamity, but also presents an opportunity for comprehensive reconstruction. The process of rebuilding devastated cities and rehabilitating a society in disarray must go further than healing the effects of the disaster.

The quest for indemnification for the Sumgait crime and the progress of Armenian national policy meet on the road of liberation struggle and the reconstruction of the homeland. Let us wage battle for rights, restructuring, the glory of the nation and regional peace.

**Prosecution of Activists Seen as Spurring
'Extremism'**

*46050022a Beirut AZTAG in Armenian
24 Feb 89 pp 1, 2*

[Editorial: "Unreasonable and Unjust"]

[Text] Charging the Karabakh Committee and the other leaders of the Yerevan rallies with criminal offenses goes against reason, justice and Gorbachev's reform policy of restructuring and openness.

It goes against reason because those individuals stood up for popular political demands with regard to the reunification of Artsakh with Soviet Armenia. Those demands were also supported by both the Armenian Supreme Soviet (with its 15 June resolution), the Armenian Communist Party and various Russian leaders and prominent figures. If the assumption of the leadership of a political storm is considered a criminal offense, a dangerous precedent will be set which may inflame the truly extremist and irresponsible circles—something that may hurt the policy of reform as well as regional peace.

It goes against justice because the most adamant and demanding rallies were held after the 29 July decision of the Supreme Soviet that banned demonstrations, and no one was charged with "criminal offenses." On the contrary, Mikhail Gorbachev called on the "Karabakh Committee" through Armenian Communist Party First Secretary S. Arutyunyan to calm the people and to end the strikes. As a result, at that time Moscow unofficially "recognized" the Committee and its role.

It goes against the policy of reform because it is impossible to pursue the already tough task of economic improvement without winning the trust of the people and members of the society.

Moreover, these defendants were arrested in the confusion and disorder that followed the earthquake in Armenia, and the most absurd and insulting allegations were made against them while they were trying to help their disaster-stricken people in contrast to their government's impotence and negligence, which Moscow severely criticized then and continues to criticize to this day.

Distortions, the suppression of freedom of expression and dissemination of the truth and the reduction of

political activists to common criminals with superficial legalistic tricks not only fails to bring any honor to the Armenian authorities, but also voids of any substance the reforming ideas and policies of the central authorities.

The ARMENPRES report on the indictment against the "Karabakh Committee" is so reminiscent of the Stalinist atmosphere of sham and deceit that one is forced to question the sincerity of the Soviet leadership about the welfare of peoples and individuals, the upholding of their rights, economic restructuring and the creation of a more peaceful and just society.

REGIONAL AFFAIRS

Quadrupartite Cooperation Council Proposed *44000424p Paris AL-MUSTAQBAL in Arabic* 18 Mar 89 p 6

[Text] On-going discussions are taking place among a number of West European officials who follow Middle Eastern affairs. They pertain to the exchange of "opinions, information, and proposals" concerning the "project" calling for establishing a new "quadrupartite cooperation council" including Jordan, Lebanon, the proposed state of Palestine, and Israel. This proposal was discussed with some Israeli officials and similarly with some Arab quarters concerned with the struggle with Israel. The discussions sought to establish if this project was "liable" to live and whether it could be executed at a certain stage of negotiations in the Arab-Israeli peace process. The goal in setting up this quadrupartite council is to "strengthen economic and commercial cooperation" between these four countries and also to "ease" the process of "incorporating" Israel into the Middle East area. Most of the ardent followers of this project are Israeli officials close to the Labor party and the left.

Essential Economic Matters Facing GCC States *44040270 Manama AKHBAR AL-KHALIJ in Arabic* 10 Feb 89 p 9

[Text] At the conclusion of meetings of the GCC [Gulf Cooperation Council] finance ministers in Riyadh yesterday, several world news agencies commented that the basic economic issues facing the GCC countries are still pending, and that no decisions regarding them have been made, which would expedite the process of economic integration between the GCC countries.

The agencies expressed their conviction that even though the GCC countries took several measures regarding joint economic development, these measures did not satisfy expectations, especially regarding the unification of customs tariffs vis-a-vis the external world. The basic economic issues were defined in the following manner:

The unification of customs tariffs in the GCC countries vis-a-vis the external world can assist in unifying economic priorities in the six countries comprising the GCC, encouraging commerce between them, and in creating a unified Gulf market.

The unification of financial policy, including the linkage of currencies to a common denominator, which was agreed by the governors of the central banks in the six countries, is pending monitoring of the development of the circulation of currency between the member states.

This will help to encourage long-term investments between the member states, and to direct Gulf capital to the most beneficial projects in the region. It will also help to more effectively attract the capital of Gulf emigres for investment in economic projects in the region.

The creation of a Gulf securities market for the exchange of the shares of all Gulf companies will facilitate the transfer of capital among the Gulf states to beneficial projects, and will aid economic development in the region. This can be attained either by selecting one of the existing markets, and activating it as a regional market, or by distributing this function among all of the existing markets, so that all Gulf shares could be exchanged on any one of them.

Whereas no serious discussion took place regarding the development of financial markets for the GCC countries through the exchange of borrowing instruments in the stocks and bonds markets in each GCC country, the concept of a public loan is nevertheless not new for the GCC countries, inasmuch as both Bahrain and Oman have for years resorted to the issuance of development bonds from time to time. Bahrain was the first Gulf state to apply a program of regular issues of treasury bonds.

The unification of economic incentives granted to new companies, especially industrial companies, will enable them to locate in the most appropriate country for their growth, so that they can contribute in the best manner to the economic growth of the region as a whole, and the creation of a type of economic specialization, whereby each country employs its capabilities in the most appropriate manner vis-a-vis its economic circumstances.

This policy will lead to an increase in commercial exchange between the Gulf states, and will eliminate the apprehension of several of these states regarding the creation of a unified Gulf market.

When Oman was exempted from eliminating all custom barriers imposed on Gulf manufactured goods for a limited time period, Oman justified this action by citing discrepancies between it and the other Gulf states, especially Saudi Arabia, regarding barriers and economic subsidization. In this regard, Oman acquired a respite of an additional 2 years to eliminate its duties on several industries.

Another issue is the coordination of industrial policy in the region, especially the petrochemical industries, which are oriented primarily toward export, inasmuch as there is an urgent need for cooperation regarding marketing efforts and the creation of a unified customs barriers policy, especially vis-a-vis Europe and North America.

There is also a need to coordinate the distribution of industries whose economic benefit increases with the volume of the project, such as the iron and aluminum industries, whereby these industries could be distributed in the different Gulf states so as to avoid the creation of damaging surplus capacity in the industry in general.

Amman-Baghdad Rail Link Planned

44000432 Amman JORDAN TIMES in English
8 Mar 89 p 1

[Text] Baghdad (Agencies)—Iraq and Jordan are to build a railway linking their capitals, Minister of Transport and Communications Muhammad Hamza al-Zubaydi said Tuesday. The Iraqi News Agency (INA) quoted the minister as saying the project had been studied several years ago and officials from both countries would meet soon to discuss final details. He gave no details. The minister said Iraq and Egypt had recently signed a draft agreement to operate buses between their capitals through Aqaba. Hamza also expressed hope for linking Iraq with Saudi Arabia, Kuwait and Turkey by railways. The land road linking Baghdad with Cairo passes through Jordanian territories, the Iraqi minister noted. He said that Egypt and Iraq were doing their best to provide the necessary facilities to operate this line. The draft agreement on operating this road was signed in Baghdad recently.

Egypt and Iraq To Undertake Joint Steel Production Projects

44040348 London AL-TADAMUN in Arabic
6 Mar 89 p 37

[Text] Preparations are under way for the creation of two factories for the production of steel in Egypt and Iraq at a cost of \$240 million. The projects fall within the framework of the process of coordination between the two countries.

Engineer 'Adil al-Danaf, president of the Egyptian Agency for Metal Industries, announced that the two factories will produce ingots of high-grade steel for use in the production of automobiles and aircraft and for use in shipyards. The productive capacity of each project will be 110 thousand tons yearly, at a value of \$80 million at present price levels.

The governments of the two countries have made arrangements for the Arab Industrial Development Organization to undertake their marketing operations through Arab investors.

Economist Speculates on Arab Economic Future

45040108 Beirut AL-MUSTAQBAL AL-'ARABI in Arabic Nov 88 pp 60-88

[Article by Dr Mahmud 'Abd-al-Fadil: "The Arab Economy: Expectations and Outlook"]

[Excerpts] Dr 'Abd-al-Fadil is professor of economics at Cairo University's College of Economics and Political Science. [passage omitted]

Outlook for Oil Prices and Exports in the Medium Term

Despite contradictory speculation on the probable future course of oil exports and prices, there is near consensus that the decline and stagnation of oil prices will end in the mid-1990's and that the second half of the 1990's will see an upward trend rising to about \$40 to \$45 per barrel. Significant forecasts and predictions follow:

Reference Year	1990	1995	2000
Oil Variables			
A. Price of Crude per barrel			
-First estimate*	\$20	\$28	\$45
-Second estimate**	\$26	NA	\$40
-Third estimate***	NA	\$42	NA
B. Volume of Oil Exports (in millions of barrels per day)			
-First estimate of OPEC exports*	18-19	23-24	28
-Second estimate of Arab exports***	10.6	12	15.5
C. Total Estimated Oil Revenues for Oil Exporting Countries (in billions)***	\$101	NA	\$227

* The first estimate is based on Nordine Ait-Laoussine and John C. Gault, "The 1986 Oil Price War: An Economic Fiasco," Middle East Economic Survey (MEES), Vol 29, No 52 (6 Oct 1986)

** The second estimate is based on a paper by Robert (Mabro) presented at the Third Arab Energy Symposium in Algiers (4-9 May 1985)

***The third estimate is based on "Directional Scenario," a model by ENI-OAPEC

It is possible, in light of these predictions of future oil prices and revenues, to project growth rates for the gross domestic product (GDP), consumption, and investment for the period 1990-2000, based on deductions by the so-called ENI-OAPEC's "directional scenario" model and on estimates by the "Rationalizing the Future of the Arab Fatherland" project supervised by the Center for Arab Unity Studies. Table No 5 lists estimated rates of GDP growth in the period 1990-2000 in a selected group of oil producers and nonproducers.

Extrapolation of these estimated GDP growth rates would indicate that they continue to be affected by changes in oil variables in light of "directional aspects" during a period of acclimation lasting through this century. "Directional aspects" means a reference framework for forecasting comprehensive economic variables given a status quo without fundamental changes in political regimes, social systems, or economic conditions.

Schedule No 5: Estimated GDP Rates of Growth for the Period 1990-2000 (in fixed prices) (%)

Country	1981-1985 (Actual)	1985-1990	1991-1995	1996-2000 Coverage Period
A. Oil Producers				
Saudi Arabia	-5.8	4.0 (A) (Fourth Development Plan Estimates)	4.0 (B)	6.0
Kuwait	-1.4	3.9 (Kuwaiti Development Plan)	3.1	2.9
				4.0
UAE	NA	(A) 2.2	(B) 2.0	3.5
Libya	-5.1	2.1	4.8	4.0
Algeria	4.6	4.0	4.0	3.5
Iraq	NA	5.0	5.1	4.0
		3.5		5.5
B. Nonproducers				
Tunisia	3.0	4.0	3.0	4.0
Morocco	3.7	3.6	3.8	3.0
Egypt	6.2	2.4	1.5	2.0
Jordan	5.3	2.4	3.5	3.0
YAR	5.0	0.9	2.6	2.0
Syria	0.2	2.4	3.1	3.0

Sources: Figures for the period 1981-1985 are actual and derived from schedule (1-5), "Social and Economic Development Plans in the Arab Fatherland" (1970-1985), Arab Fund for Social and Economic Development, Kuwait, 1986.

Figures for the period 1985-1990 reflect estimates by ENI-OAPEC's Directional Scenario model (A); and after being adjusted downward (B) to reflect oil prices declines.

Figures for the period 1991-1995 reflect Directional Scenario estimates (A) and after downward adjustment (B) to account for more modest oil prices than originally forecast.

Estimated Consumption Growth Rates Under Directional Aspects

When evaluating estimated total consumption growth rates under directional aspects, numerous indicators reveal a tendency to control and lower consumption rates of growth in the period 1986-1995, at least in a climate of economic crisis manifested by reduced external resources (such as oil exports, remittances, and incoming production factors) and by escalating external indebtedness and by an increasing foreign debt burden.

This is more clearly manifested in public and state consumption which suffers larger declines than private consumption since its volume is but a reflection of state revenues. Decreasing public and state consumption expenditures would indicate a treasury crisis and reduced opportunities for "inflationary financing". On the other hand, rates of slowdown will be lower in the case of private consumption because of family sector resistance to lowering its standard of living, causing savings withdrawals and asset liquidations in order to maintain a certain standard of living and consumption.

Assessments by the Saudi Fourth Development Plan (1985-1990) are an indication of these trends. Public consumption during that period was calculated to shrink (a growth rate of -2.2 percent) whereas private consumption was estimated to grow by 3 percent. The same would hold true in the nonoil states because of reduced inflows of external resources such as remittances, and returns on

production factors, forcing those countries to contain consumption spending in what may be termed "marginal rationalization" induced by economic crisis pressures under directional aspects rather than by a fundamental change in development outlook and policies.

The overall picture of estimated rates of growth is shown in schedule No 6:

Schedule No. 6: Estimated Rates of Growth in Selected Arab Countries for the Period 1990-2000 (at fixed prices) (%)

	1985-1990 (difficult period of adjustment)	1991-1995 (period of transition)	1996-2000 (improvement begins)
A. Oil Producers			
Saudi Arabia			
Public Consumption	-2.2		
Private Consumption	3.3		
	(estimates by Fourth Development Plan)		
Total Consumption	1.0	2.5	5.4**
Kuwait			
Public Consumption	1.8		
Private Consumption	3.6		
	(plan estimates)		
Total Consumption	2.7	3.4	4.5**
United Arab Emirates	1.0	3.0	4.6**
Libya	0.5	2.5	3.9**
Algeria	1.0	3.1	4.2**
Iraq	3.2*	3.2	3.2**
B. Minor Oil Producers and Nonproducers			
Jordan	1.0	1.5	2.0
Tunisia	2.0	2.5	3.0
Syria	1.7	2.0	2.5
Egypt	1.7	1.5	2.0
Morocco	2.5	2.5	2.5
YAR	-1.5	1.0	1.4

* Iraq will be the only oil producer to maintain relatively high growth rates of gross consumption due to high growth rates of public consumption.

** These growth rates approximate those in the directional scenario model of ENI-OAPEC for the period 1990-1995 which assumed crude oil prices of about \$42.

Estimated Volume of Investment in the Arab Region

Gross capital formation and its annual growth rate are affected by several factors and restrictions that differ in the oil producers from those in nonproducers. (We benefited here from "The Formation of Arab Investment Indicators" by Sa'd Hafiz, an unpublished paper prepared under "The Rationalization of the Arab Fatherland" project)

The growth rates of gross capital formation in oil producing countries are determined by two factors:

- Controls on funding investment expansion. Anticipated oil price fluctuations, volume of oil exports, return on investment abroad, and the purchasing power of oil exports play a decisive role in determining whether gross investments will expand or shrink.

- Saturation effect on certain investment fields, especially in infrastructure, construction, utilities, and services. This is usually tied to what is called the "absorptive ability"

The most significant factors affecting the volume and growth rates of gross capital formation in nonoil producing states are:

- Net remittances and loans from the outside world.
- The degree of deficit (or surplus) in the balance of payments.
- The floor level set for maintenance investment undertaken regardless of financing conditions in order to maintain the economic integrity of the various sectors.

Future net remittances, loans, and assistance to nonoil Arab states will no doubt be affected by developments in oil revenues in producing countries. This would not only influence the volume of remittances and government loans but also the demand for labor imported from nonproducers and, as a result, the volume of expatriate remittances.

A noticeable trend away from importing more labor from Arab nonproducers is detected for the period from the mid-1980s to the mid-1990s. The Saudi Fourth Development Plan (1985-1990) estimates the number of departing foreign workers at about 60,000. (Refer to Husayn 'Abdallah Sajini's Development Planning and Implementation in Saudi Arabia: Symposium Paper on the Arab World's Experiences With Development. Kuwait: The Arab Planning Institute, 1986)

For most nonoil-producing Arab countries through the mid-1990s there will be a continuation of a 5-year trend towards higher deficits in balance of payments current accounts, relative to the gross domestic product. This is illustrated below. (Refer to Table (1-6) in Arab Fund for Economic and Social Development's "Economic and Social Development Plans in the Arab Fatherland": 1970-1985. Kuwait; The Fund, 1986)

Country	1976-1980 (%)	1981-1985 (%)
Jordan	9.4	-1.2
Tunisia	-7.2	-8.7
Sudan	-1.5	-6.9
Syria	-4.8	-4.4
Morocco	-10.2	-8.1

We are able, in light of those considerations, to estimate the growth rates, in fixed prices, of anticipated gross capital formation as is shown in Table 7:

Schedule No 7: Growth Rates of Anticipated Gross Capital Formation in Selected Arab States for the Period 1990-2000 in Fixed Prices (%)

Country	1985-1990	1991-1995	1996-2000
A. Oil Producers			
UAE	1.5*	2.5*	3.5**
Algeria	3.5*	4.5*	5.5**
Saudi Arabia	3.6	4.5*	5.5*
	(Fourth Plan Estimates)		
Iraq	2.1*	3.5*	5.5**
Kuwait	—	2.5*	3.5**
Libya	1.2*	2.0*	4.0**
B. Minor Producers and Nonproducers			
Jordan	0.8*	1.7*	2.3**
Tunisia	3.5*	4.5*	4.5**
Syria	3.0*	3.5*	4.0**
Egypt	2.0*	3.5*	4.5**
Morocco	1.8*	2.5*	2.5**
YAR	3.0*	4.5*	4.5**

* Adjustments based on values calculated in ENI-OAPEC's Trend Scenario. Our estimates of crude prices are lower for the periods 1985-1990 and 1991-1995.

** Values expressive of the recovery effect in the period 1966-2000 in light of our analysis of future crude prices.

Note: These estimates will be pushed upwards or downwards by the volume of government and nongovernment remittances from oil producers.

Risks of Uncertainty Under a Disturbed System of International Economic Relations

Mounting uncertainty about movements of the external world economic variables will probably add difficulties to the Arab economy's acclimatization process over the next 10 years. Significant variables include:

- Future interest rate fluctuations.
- Future movements in the exchange rates of major currencies. (especially future variations in the U.S. dollar's exchange rate).
- Changing conditions for the import of manufactured goods in exchange for exported basic commodities.
- Restructuring the international distribution of labor and the re-allocation of activities and industries among the different regions of the world.

- Conditions for the transfer of modern technology.
- Conditions for rescheduling and retiring developing world debt.

There is no doubt that developments in leading variables for the remainder of this century will have significant impact on the future of the Arab economy because of its heavy interaction with the outside world in that it exports basic and semi-manufactured goods and is almost totally dependent on imports of manufactured goods, capital goods, and modern technology. On the other hand, changes in world interest rates and in dollar exchange rates will have a profound impact on revenues returned by Arab investments abroad (and on those pegged to the U.S. dollar).

By the same token, developments affecting the external debt of developing countries—such as restructuring, re-sale in secondary markets, and the transformation of debt into equity through swapping schemes—all these will have significant impact on the fundamental conditions and modes of “acclimation policies” in such heavily indebted Arab countries as Morocco, Egypt, Sudan, Iraq, and Jordan as well as Lebanon, in the future.

An examination of external variables affecting all future Arab economic conditions would reveal that they are subject to a high degree of fluctuation. This would increase the degree of risk and the factors of fluctuation and exposure to which the Arab economy could be subjected during the “acclimation period” over the next 10 years. Some of the important external variables affecting all national units [nations] of the Arab economy follow:

- Prices of exported primary and semi-manufactured goods.
- External conditions affecting consumer, intermediate [semi-manufactured], capital, and technology imports.
- Expatriate remittances.
- The inflows of foreign aid and credit.
- Fluctuations in the exchange rates of the U.S. dollar and other major world currencies.

It is a given that the future course of such variables will have a decisive impact on the level and movements of such fundamental domestic variables as private consumption, public spending, capital accumulation, and foreign debt service. The pattern of growth in Arab countries over the next 10 years will therefore be exposed

to several external shocks making it necessary to draw up emergency plans to absorb these shocks and gradually reduce the Arab economy's excessive dependence on external variables.

In the aftermath of the oil boom, any serious program to acclimate must be based on containing and reducing the impact on the Arab economy of changes in external variables by restoring the balance between domestic and foreign fronts. This would protect domestic balances from being tied to foreign fluctuations and storms in a world economy where the degree of uncertainty escalates day after day.

Problems of Inflationary Recession

Confronting “inflationary recession” is perhaps one of the most pressing problems of the Arab economy during the upcoming period of acclimation. The issue facing planners of economic policy in the various Arab states is that the recessionary cycle is just beginning. On one hand, the downward trend in revenues from oil exports, expatriate remittances, and inflows of aid and remittances will certainly affect the domestic cycles of nonoil economies because, as in the past, the multiplier effect and accelerator effect will tend to create a contractive, rather than an expansive, course. This will be especially reflected in the volume of investment in construction (and housing in particular) and in the degree of stimulation of economic activity generated by that sector.

Sales of durable goods, such as refrigerators, washing machines, television sets, and air conditioners, will also begin to grow at slower rates following accelerated growth from the mid-70s until now. By the end of the decade, sales of such goods could stagnate and almost reach the saturation point in a large number of Arab oil producers and nonproducers.

This tends to be substantiated in Table No 8 which shows that the construction sector had a negative rate of growth in each of Saudi Arabia, Kuwait, and YAR in the period 1981-1985. That rate was near zero in both Morocco and Tunisia.

“That sector exhibited great strength from the mid-70s till the early '80s and consequently stimulated, through its multiplier effects, demand for the goods and services of other sectors. “Slow growth rates in that sector will no doubt have a noticeable deflationary effect on the remaining economic sectors in oil producers and non-producers alike.” (Refer to Mahmud ‘Abd-al-Fadil’s Report of the Arab Economic Commission presented at the 16th Arab Lawyers’ Convention: “Crises and Challenges Confronting the Arab Economy Today”. Kuwait, April 1987, p. 5).

Table No 8: Annual Rates of Growth for Various Sectors for the Period 1981-1985 (in Fixed Prices) (%)

Country	Agriculture	Processing Industries	Mining Industry (metals and minerals)	Construction	Electricity	Other (services)
Jordan	7.0	NA	4.9	2.1	9.6	3.8
Tunisia	0.9	9.3	7.8	0.0	8.9	6.1
Algeria	0.8	8.9	-0.9	8.8	9.2	4.2
Saudi Arabia	8.1	14.1	-14.6	-1.4	NA	1.5
Syria	-4.3	-2.1	NA	6.3	NA	1.5
Kuwait	3.4	9.7	-27.0	-0.2	13.6	-5.1
Egypt	2.9	8.7	5.8	NA	NA	9.3
Morocco	4.8	0.9	2.5	0.3	6.7	4.7
YAR	-1.5	18.0	5.1	-1.0	24.0	5.9

Remarks: With the exception of Algeria, the construction sector had negative growth rates in oil producers (Saudi Arabia, Kuwait, and the UAE) and in semi-agricultural countries

Agricultural growth rates were negative in Syria, YAR, and PDRY [People's Democratic Republic of Yemen], and insignificant (less than 1 percent) in both Tunisia and Algeria

Source: Arab Fund for Social and Economic Development, "Social and Economic Development Plans in the Arab Fatherland": 1970-1985, Schedules 1-9, 1-13, 1-17

Table 9, on the other hand, depicts changes in the growth rate of domestic credit in Arab oil producers. A slow-down trend was noticeable for the period 1982-1983 in Saudi Arabia, UAE, Qatar, Kuwait, and Algeria. The period 1983-84, however, saw a turning point in the diminishing

growth rate of domestic credit in Saudi Arabia, UAE, Qatar, and Kuwait. "No wonder, the commercial sector, followed by construction, accounted for the lion's share of bank credit. The two sectors therefore exhibited obvious indications of shrinkage." (from above mentioned source)

Table No 9: Changes in Growth Rates of Credit in Arab Oil Producers for the Period 1981-1985 (%)

Country	1981	1982	1983	1984	1985	Average for Period
UAE	17.1	9.8	6.7	2.6	12.5	7.8
Bahrain	8.5	13.9	10.4	15.5	-6.9	7.8
Algeria	29.0	26.3	18.6	19.1	—	21.3
Saudi Arabia	16.1	16.0	13.3	4.9	0.3	8.4
Iraq	—	—	—	—	—	—
Oman	17.1	15.0	26.0	20.0	27.1	21.9
Qatar	22.0	23.7	8.6	-10.2	18.5	9.4
Kuwait	29.2	23.7	10.9	6.2	0.3	9.9
Libya	38.8	30.0	46.5	-22.1	2.9	4.8

Source: League of Arab States, the secretariat-general and others: "The Unified Arab Report", 1986. Edited by the Arab Monetary Fund (Dubayy, 1986), p 153

Several indicators point to the Arab economy's current stagnation crisis and the appendant decreased employment, lowered incomes, and reduced profits, coupled with continued price escalation as a result of inflation, both external (imported) and domestic (caused by the monopolistic composition of the domestic market and by sectoral stagnation). (same source).

An answer to those questions is not as easy as one might think. There are areas of endeavor where intense boom and expansion would be a sign of weakness and Arab economic ill health. By the same token, there are other areas of endeavor where recession and shrinkage are a sign of strength and fine performance by the Arab economy.

As we approach the end of this chapter, we must ponder the following important question: Should every economic boom, regardless its composition, be cause for celebration as indication of sound economic performance? Does the reverse hold true? Should every recession be looked upon as an alarming negative phenomenon and an indication of economic ills?

It seems, therefore, that any discussion of the Arab economy's current trends towards expansion (boom) or shrinkage (recession) should not be in the abstract. The crucial factor is the economic composition of that expansion or recession. The process of reforming the future course of Arab economy requires suppressing expansionary and inflationary forces in certain areas of consumption, imports, and parasitical investment as well as the

economic prosperity and false money that they generate. At the same time, there should be diligence in stimulating investment and consumer activities that have extensive developmental impact.

It is no exaggeration that the ills and "unhealthy phenomena" besetting Arab economy over the last 10 years figure in the diagnosis of the current Arab economic crisis. The most important include:

- Excessive consumption of household and leisure goods
- Excessive investment in luxury housing
- Excessive investment in real estate as a whole, sometimes in a speculative manner
- Shortage of fixed capital investment (equipment and capital formations)
- Expansive bank credit activity and pumping-up available liquidity to primarily finance commercial, import, and contractor [building] activity.

The "policies of acclimation" over the next 10 years should therefore seek to stimulate investment and spending in agriculture, basic industry, and other productive services in order to regain a balanced Arab economic structure and fight off inflationary pressures that undermine the Arab economy because of their negative effect on income distribution, the standard of living of the lower classes, and Arab competitiveness in world markets.

About Futures Options and Tradeoffs

Corrective and acclimatization policies in the aftermath of the "oil boom" are medium-term by nature and not in themselves sufficient to assure the future course of Arab economy. This requires a long-range outlook. There are several challenges that call for the kind of "futures option-taking" that may be considered as a sort of "future tradeoff".

We will discuss below a few "futures options which we believe to have great significance for the future course of Arab economy.

Tradeoff Between 'Domestic Compounding' and 'Foreign Debt Service'

The burdens of foreign debt service have increased for a group of major Arab countries, accounting for more than one third of their export revenue of goods and services. (Refer to the World Bank. Report on World Development, 1987. Washington, DC. Table 18 of the statistical appendix.)

The relationship between domestic compounding efforts and foreign debt service is tenuous in its impact on the future Arab economic course. In light of limited foreign exchange resources, an inverse relationship develops between escalating foreign debt burdens and compounding allocations in Arab economy since they earnestly

compete for the funds remaining after allocations for consumption, for national defense, and for priming the economy. If obligations to the outside world were to be given priority, financing of accumulation efforts would be a function of whatever funds can be spared. This would adversely impact the Arab economy's future ability to grow steadily through compounded productive expansion over time. [passage omitted]

It would be worthwhile to restate the leading dynamic relationships and balances that govern growth and development. The late economist Ragnar Frisch mapped out basic policies on the occasion of Egypt's second 5-year development plan. His map indicates that to pursue high national income growth rates, there must be a corresponding increase in allocations for new investment (the compounding factor). Real futures balances and trade-offs could therefore be accomplished by maximum external borrowing in return for sacrificing some of the factors and standards of private consumption. Expansion of private consumption inevitably leads to added foreign debt burdens on the national economy, reducing its propensity for future growth.

The map shows that productivity development is the only option available to the Arab economy. Productive and technological development would allow reduced levels of foreign borrowing or improved standard of private consumption without impairing the future growth of national income. It is apparent in light of that "navigational map" that the following conditions must be met in order to ensure a long-term growth pattern for the Arab economy:

- A ceiling must be imposed on the external debt of various Arab economies
- Private consumption levels should be controlled and restricted.
- Productivity (of labor and equipment) should be enhanced and improved.

In other words, expanding current consumption, financing it through external borrowing, and laxity in developing the factors of production would be tantamount to degrading the quality of life of future generations and to living the present at the expense of the future.

The Tradeoff Between Petroleum and Water Resources

The Arab Center for the Study of Arid and Dry Regions [ACSAD], in a study presented at the Arab Social and Economic Council meeting in Damascus in June 1986, warned that fiscal crises and water shortages are developing and are expected to worsen by the end of the century. (Refer to "Arab Water Security—A Study," AL-MUNTADAH, Vol 1, Issue 11, Aug 1986).

A quantitative analysis puts current Arab water resources at some 173 billion cubic meters/year for all kinds of currently available surface, artesian, and other

nontraditional sources such as drainage and desalination). Total self-sufficiency in food would require some 305 million cubic meters/year at present and about 435 million cubic meters/year in the year 2030, according to the above mentioned study. Water shortages in 2030 are estimated at 100 billion cubic meters/year, given current resources and all precautions and measures to be adopted for water development (same source).

This situation is undoubtedly very disturbing, especially at the onset of the next century. Demand will remain within available resources until the year 2000 if the necessary water development projects are carried out, according to ACSAD.

The slogan "Arab Water Security" has thus become strategically synonymous with "Arab Food Security". The latter can not be attained without developing water resources in line with future needs. The subject was focus of several regional symposia of which the latest, on "Water Resources and Usage in the Arab Fatherland", was held in Kuwait in Feb 1986 under the auspices of the Arab Fund for Social and Economic Development, the Kuwait Fund for Arab Economic Development, and ACSAD. The symposium issued the so-called "Kuwaiti Paper on Arab Water Security" (from the above mentioned source).

The strategic plan for future Arab efforts to consolidate Arab water resources and rationalize their use should be the fullest utilization of Arab water in order to attain a high degree of water security. The Arab "food shortfall" will lead, as it worsens over time, to deeper "food dependency" on the grain-exporting countries of the West. The only way to meet future challenges is to attain the highest possible degree of self-sufficiency as a group, in order to stop the "food shortfall" or reduce it as much as possible.

The various Arab countries are greatly disparate in their land, water, monetary, and human resources. Substantive farm projects that could give a push to agricultural development throughout the Arab world would depend on the sufficient availability of these resources in suitable climates, in order to deal with the Arab water and food crises in a rational and scientific fashion. Great significance is therefore attached to substantive projects for the storage and transport of irrigation water and for drainage, especially with respect to such major rivers as the Nile, the Euphrates, and the Tigris.

"It is important to undertake national projects, including studies of joint water basins and plans to develop and utilize them in a complementary fashion to assure the greatest possible positive aspects for the participating countries, and to reduce in as much as possible the negative consequences of noncoordination." (from the above mentioned source).

The success of Arab efforts to conserve and mobilize water resources is no doubt dependent upon sufficient financing for such Arab water security projects as water diversion, the storage and transport of irrigation water, erecting dams at strategic sites, and providing military and air defenses for their security. Covering water resources under a thick blanket of protective security is but protecting the basic fundamentals of Arab existence. Life and water go hand in hand.

Petrodollars, or what is left of them, can play an important role in stimulating the mobilization of Arab water resources and protecting them against usurpation and aggression. Plowing oil revenues back into Arab national soil is the only way to assure future food and dignity for the Arab citizen despite the challenges and conspiracies that besiege him on all sides. (Refer to Mahmud 'Abd-al-Fadil: "The Interwoven Relationships Among Oil, Water, and Development in the Arab Fatherland". AL-BAHITH AL-'ARABI, Issue No 7, April/June 86. P. 54)

The flow of petrodollars into the coffers of the West is but a weapon aimed at Arab hearts. These funds are re-channeled through international banks and financial markets into Israel or to pump up advanced capitalist states. Oil revenues are liable to dry up sooner or later. The period during which Arab producers enjoy a surplus of oil revenues should be considered a grace period that permits a move from finite resources to renewable resources that drive Arab development.(from the above mentioned source.)

A sound "future option" would therefore be the gradual replacement of diminishing fossil resources with new productive energies. The transitional path for development under the gradual depletion of oil resources is governed by the economic principle of "exchange of assets". In essence, extracted oil should be handled as a capital asset to be sold in world markets for foreign exchange to pay for equipment, facilities, and blueprints for dams, water reservoirs, river diversion, and hydro-electric generation to stimulate industry and rural electrification. Heavy investment in water facilities, irrigation and drainage networks, and power stations is the only way to preserve the fundamentals of Arab economic existence and bolster the agricultural and industrial foundations of Arab society. Over time, this would generate renewable income to gradually replace diminishing oil wealth and resources. (from the above mentioned source).

In short, the principle of the exchange of assets across the "future generation" is the real key to winning the battle of food with dignity throughout the Arab Fatherland.

Modern Technology Versus the Problem of Unemployment

(This section is based on The Relationship of Technology to Development and Employment, a report by the director-general of the Arab Labor Office, presented at the 15th session of the Arab Labor Conference in Baghdad, March 1987).

The Arab economy suffers from a structural unemployment problem that could worsen and aggravate at the turn of the century as populations and education grow at higher rates only to find weak absorptive capacity by the new sectors and limited employment opportunities provided by modern technological advances in the Arab world over the past 10 years. (from the above mentioned source).

Technology was considered a magical solution to the problems of development, to be acquired either physically in the form of equipment and products or as technical know-how, skills, and managerial expertise.

When reviewing available choices, analysts have traditionally viewed labor-intensive and capital-intensive technologies as mutually exclusive. Actually, there are technologies, such as precision electronics, that are both capital intensive and labor intensive. (from the above mentioned source).

The basic issue here is whether the Arab planner (of projects or sectors) has made the right choice of technology over the past 10 years.

Capital was readily available to oil producers and non-producers had debt financing and aid but the technological choices made, seen in the context of the future, were not suitable to the Arab reality. These choices resulted in squandering and mortgaging a major portion of available foreign exchange and caused the dissipation of significant employment opportunities for large numbers of Arab workers.

The unemployment problem (even for university graduates) currently emerging at the end of the 1980s and the beginning of the 1990s is but the fruit of that period when inappropriate technological choices were made. Technology and productive arts have a significant impact on the levels of national employment. Technology imported from industrialized countries was essentially developed to be suitable for them and therefore was frequently unsuitable for Arab society.(from the above mentioned source).

A forward outlook requires a fundamental reassessment of the dynamic relationship between technology and employment. The objective is to protect the Arab economy against more redundancy and limping on one foot by combating the dangers of open and hidden employment presented by "unofficial and clandestine activity.

No Bartering of Arab National Security for Modern Information Systems

Modern information systems occupy a significant and prominent position in managing modern societies. The role and importance of these systems increased noticeably, even alarmingly, over the past 20 years. Several

generations of computers have stored and sorted tremendous volumes of data and information and classified them to serve the purposes of end-users, be they official authorities, scientific organizations, or international agencies.

It is no exaggeration that we live in a "computer revolution" and the age of "information." The computer's impact on our lives is frightening and ever-increasing. Information compiled in the tax, employment, and social security files of every citizen would give an almost complete picture of the ordinary citizen in any country. But things do not stop there. They reach to the state's most classified secrets, its military and security agencies, and its basic installations. Such secrets are magnetically recorded and stored in computer memory to be readily available.

The Arab Fatherland was swept during the seventies by calls to modernize and usher-in the age of modern technology. A great deal of money was spent on modern information systems. The most up-to-date computers were acquired in order to catch up with the spirit of the age and of modernizing.

The Arabs, by rushing when the funds were aplenty to buy state of the art products of modern western technology, did not realize that that feverish quest has rendered them prisoner of the most complex modern technology whose mysteries can only be unlocked with the help of foreign experts. Money can't buy everything. It can buy machinery, tools, and equipment but it can not buy the "trade secrets" monopolized by modern science and technology pioneers.

The disturbing issue is the threat to Arab national security of these information systems. The lack of domestic expertise invariably drives Arab countries to seek foreigners to design, assemble, and install modern computers and information systems as well as supervise operations and maintenance. In other words, computer and information technology is imported from A to Z, exactly in the manner of turnkey projects designed and equipped by multi-national corporations.

We are sometimes lax in importing ready-to-run factories and other technological packages but the issue gains gravity when it relates to information systems and state and society secrets. This is a very sensitive area which should not be accessible to strangers or foreigners in an age where every little bit of information has an important role in revealing the most delicate secrets of society.

But that option is almost nonexistent under the current Arab conditions. Information systems and computer development are the monopoly of large international corporations operating in the United States and other major countries of Europe. This is clearly illustrated by IBM of the United States which monopolizes about half of world computer markets and enjoys privileged monopolistic positions not easily shaken. Such giant

corporations have vertical control of information systems from designing hardware to writing software to maintenance. The monopoly therefore covers almost all aspects of information processing as foreign corporations guard their trade secrets. The role of Arab programmers is consequently limited to the implementation of foreign-designed programs and packages and the repair of minor computer malfunctions.

The issue is not mere technological ignorance of this equipment and these data processing systems. The main issue that should be of serious concern to Arab national security officials is the lack of the security necessary to safeguard secrets and sensitive information stored in computer memories.

The calamity is that information previously difficult to gather over many years, is now instantaneously available, thanks to modern information systems, in huge volumes already sorted and classified to suit the purposes of the information seeker.

Such dangers are intensified when information systems are installed by foreign expert institutions at such sensitive locations as the ministries of defense and interior, presidential offices, and centralized census and recruitment agencies. It is true that Arab programmers have been sent on several educational missions to the United States and Europe in order to master modern computer and information systems techniques. Their expertise, however, remains low and limited to operational procedures without delving deeply into the inner mysteries of systems design and major repair.

Information and information wars are no doubt of graver consequence than traditional weapons. The information weapon is fatal and devastating. By handing it over to others, not to say enemies, we are squandering our most valuable armament.

The "information weapon" is therefore double-edged. It is supposed to be a tool for rationalizing the standard of national performance and mobilizing forces and resources along sound scientific lines based on actual knowledge and factual analysis. The benefits of that important and frightening weapon would be reversed if it is turned against society. Information systems will be of no benefit if Arab countries fail to secure them and then they might, just as well, hand over the secrets of our society on a silver platter and for little cost. We would become prey were others to gain access to the secrets of our societies.

The battle for information system security is therefore a vital strategic necessity for which we must mobilize suitable resources and talent in order to meet the challenges facing our Arab nation. We could perhaps begin by ceasing to pine for the latest computers and information systems because they are difficult at present to master and demystify. The way to secure Arab information systems is to be content and work with older and less

complex computers and information systems. This means utilizing information systems, though older and less sophisticated, that have been totally mastered by Arab technical talent without foreign help with operations and maintenance. Arab experts could attain more security and protection by mixing and matching various information systems and changing the operational routines in order to make it difficult for others to gain access. The foreigner who gains access to the core of Arab information gains access to the heart of Arab society and will soon subject it to a fatal stab.

In the final analysis, our most important "option for the future" is a choice between smaller and larger Arab entities. The trend towards integrative development is a quest for developmental integration and is the only way to win the bet on the future in the world of tomorrow.

PALESTINIAN AFFAIRS

Positive Aspects of U.S. Position, Need for Patience Described

44040342a Jerusalem AL-BAYADIR AL-SIYASI in Arabic 25 Mar 89 p 15

[Article: "Positive Indicators of Recent U.S. Positions; Washington Preparing New Calculations for Its Policy in Region"]

[Text] Last December, i.e., nearly 4 months ago, Washington started a direct dialogue with the PLO. However, this dialogue has been running in place. But despite this inactivity and slowness in the long dialogue procession, the new U.S. administration has begun to take a series of positions which, in themselves, are indicators of the change in the U.S. position and which show that Washington has begun to reconsider its past calculations concerning its policy in the Middle East region.

Political observers may disagree with this statement, may allege that Washington has not and will not change its positions, and may accuse those who make this statement of treason and of pursuing a mirage.

In this article, we will try to present the positive indicators and then evaluate them and try to make a conclusion on the future U.S. position vis-a-vis the Middle East conflict.

To begin, a fundamental fact must be noted, namely that the U.S. administration took over power 3 months ago and that it has not yet completely formed its own committees, agencies, and departments, especially in the State Department and Defense Department. The State Department has not yet appointed replacements to the previous envoys to the Middle East region. The new ambassadors to the world and to the United Nations assumed their positions only a few weeks ago. As for the Defense Department, appointment of the candidate for

defense secretary was approved only 10 days ago, and this secretary needs a long time to reorganize his department according to what he deems fit.

In this transitional phase, signs of positive stances have surfaced and they can be considered the first step on a long path. These stances, or rather what is indicated by the [U.S.] statements, include the following:

First, the State Department official spokesman has repeatedly stated that the intifadah [uprising] in the occupied territories is not considered "terrorism" and has stressed this statement in more than one daily press conference.

Second, George Bush, the new U.S. President, has stressed in numerous statements that the dialogue with the PLO will continue despite all the endeavors to stop it and even though he does not currently agree to the creation of a Palestinian state in the [West] Bank and the [Gaza] Strip.

Third, former U.S. Secretary of State George Shultz voiced more than once, especially when he visited Jerusalem and delivered a word to the Palestinian people through the media after the Palestinians had refused to meet with him, the U.S. recognition of the Palestinian people's political rights—a term that is very close to the right to self-determination. This in itself is a positive stance. The new U.S. administration reflects this position and does not deny that the Palestinian people have political rights which must be observed.

Fourth, James Baker, the new U.S. secretary of state, has said explicitly—and his statement angered the Israeli Government—that the acts of resistance carried out by the Palestinians from South Lebanon cannot be considered acts of terrorism. Here Baker made a distinction between terrorism and the endeavors made by the "Palestinians" to penetrate the security belt zone in South Lebanon. Consequently, Baker has blocked Israel's exploitation of these operations to pressure the United States to suspend the dialogue with the PLO.

Fifth, the U.S. State Department has granted visas to a number of PLO members to attend a conference in New York, including Dr Nabil Sha'th, 'Arafat's political adviser; 'Afif Safiyah, the PLO representative in the Netherlands; and Nuha Tadrus; as well as Palestinian notables from the occupied territories. Insofar as the visa issue is concerned, this shows that the administration has begun to view the PLO differently from the past.

Sixth, James Baker's recent statements in the wake of his meeting with Israeli Foreign Minister Moshe Arens which say that Israel has to hold talks with the PLO if it cannot hold dialogue with alternative Palestinian personalities are tantamount to a sign that Israel is ultimately required to recognize the PLO and hold dialogue with it, especially since the past endeavors to find alternatives have failed.

The indicators we have noted encourage observers to conjecture and wager that the U.S. administration has begun to embrace a certain independent political position vis-a-vis the Middle East issue whereas this position used to be largely tied to the Israeli position and Israeli policy. These observers say that these are signs.

The main question here is: Will the U.S. administration merely continue to give more signs without adopting a clear and unbiased policy?

This question requires time, further observation, and followup. The Israeli prime minister's meetings with the U.S. administration's high-ranking officials at the beginning of next month and the subsequent statements will determine what the new U.S. position on the Middle East is. One has to wait.

Israeli-Palestinian Meetings Described

44040330A Nicosia FILASTIN AL-THAWRAH in Arabic 26 Feb 89 pp 10-11

[Article by Ahmad 'Abd-al-Haqq]

[Text] Last week, a number of Palestinian-Israeli meetings were held between pro-PLO Palestinian figures and second echelon Israelis. The Palestinians told their interlocutors that the PLO is the sole legitimate representative. It has also been reported that Faysal al-Husayni told (Yosi Peled): "If I were a soldier, then 'Arafat would be my commander."

It is the tradition in diplomatic political work that official conferences are more protocol celebrations than they are decisionmaking meetings. The most important and difficult decisions are made behind closed doors. The most that can be accomplished in conference halls is to adopt one of a number of projected options and to make decisions on minor details. Taking a qualitative political step at times requires from those who take it seemingly contradictory public postures and statements either to reassure a public accustomed to the opposite or to improve one's position.

These criteria apply to the latest Palestinian-Israeli meetings in the occupied territories, even though those engaged in the meetings from both sides do not have the power of decisionmaking. However, they—at least the Palestinian side—are trying to accomplish what is now officially rejected by Israel, i.e. Israel's agreement to negotiate with the PLO.

In his private meetings, the Israeli prime minister expresses his satisfaction with such meetings. But in his public statements, he characterizes the Israeli interlocutors' initiative as "futile, impermissible, and can accomplish nothing but encourage (PLO) terrorism." The prime minister adds: "Legally, I have no power to stop

anybody from meeting with anybody inside Israel, generally—in this specific case, in Jerusalem. But from the (Israeli) national and political perspective, these meetings are damaging.”

From 14-16 February 1989, Faysal al-Husayni, the chairman of Jerusalem's Arab Studies Institute, held in Jerusalem a number of meetings with Israeli party and parliamentary officials from the opposition and from the coalition government parties. Heading a delegation consisting of eight Palestinian personalities, al-Husayni met with Yosi Peled, the deputy minister of finance and a Labor Party dove, on 15 February 1989 at the Notre Dame Hotel, located on the old truce line in Jerusalem. Nimrod Novik, an adviser close to Labor Party leader Shimon Peres; Ephrayim Sneh, a former head of the occupied West Bank administration; and Deputy Avraham Burg from the Labor Party, who is the son of ex-Minister Yosef Burg, the National Religious Party—MIFDAL—leader, participated in this meeting. On the following day, a Palestinian delegation headed by al-Husayni also met with Deputy Amnon Rubinstein, the Shinui Party leader, who was accompanied by Avraham Boroz of the Shinui Party and Avraham Burg of the Labor Party. Radio Israel reported that a number of retired army generals had also been scheduled to take part in this meeting which was held at the residence of Moshe Amirav, a former member of Herut's Central Committee, but that the generals declined to attend at the last moment. Prior to these two meetings, another meeting was held on 14 February 1989.

These meetings have aroused a debate among various Israeli official and party factions, and they have stirred some controversial issues between wings of the same party, especially within the Labor Party. Mikha Harish, the party's new secretary general, has considered these meetings to be misplaced and Deputy Mikha Goldman has viewed them as obstructive to Israeli War Minister Yitzhaq Rabin's efforts. Shoshana Arbeli Almuselino, an ex-minister of health, has urged the Labor Party organizations concerned to convene in order to decide on a common position on this issue.

This Labor Party wing is countered by another wing. Ezer Weizman, the minister of science, has denounced this “timid” stance and urged that talks be held with Palestinian Leader Yasir ‘Arafat, pointing out that “it is not a matter of trusting him (‘Arafat) but of dealing with him. I don't trust the Israeli Army.” Mordekhay Gur, minister without portfolio, of the Labor Party, has said: “Talks with al-Husayni are no longer conceivable. From now on, the dialogue should be held at higher levels.” Mordekhay also implied that he is thinking of working to organize elections in the occupied territories and of giving the United Nations and the two superpowers a greater role in developing a solution to the Middle East crisis.

Thus, it seems that the Palestinian-Israeli meetings and the possibilities of their development will revive the differences between the Labor Party wings which have

been frozen since the opportunity to settle accounts loomed in the wake of the outcome of the latest parliamentary elections. In case these differences erupt anew, their eruption may lead to fundamental structural and programmatic changes in a party whose historical leaders believe that it is their responsibility, rather than the responsibility of others, to solve the Palestinian issue.

The internal position of the other main wing in the government coalition is more united but it generally lags far behind the development of the area's events and may lead to freezing and confusing this development and, consequently, to its fragmentation and splintering. The Likud leader criticizes the numerous Palestinian-Israeli meetings which have become very much like a “national sport.” However, in his response to a question by an Israeli radio reporter on 19 February 1989, this leader did not exclude the possibility of a meeting with him personally, saying: “If we believe that a meeting with any individual is justifiable, then the government can take the initiative toward this end.”

Let us, in any case, return to what the participants in these meetings have said, keeping in mind that they agreed not to talk to the media about what took place in these meetings and that they have confined their statements to generalities. Deputy Burg, who supports dialogue with the PLO, has said: “Our talks (with the Palestinian figures) represent an additional stage in laying down the foundations of negotiations between Israel and the Palestinian people's representatives.” A Palestinian participant in the talks has told the AFP: “Our Israeli interlocutors seemed to be very open to and interested in any proposal capable of changing the status quo. We have stressed in all the meetings that the PLO is the Palestinian people's sole representative. We have also asked the Israelis to respond positively to the PLO's peaceful initiatives.”

It is concluded from these two statements that what is happening practically is some sort of indirect Palestinian-Israeli negotiations aimed at reaching a position that permits holding direct negotiations within a framework acceptable to both sides. We permit ourselves to characterize this condition as being very similar to the condition of warring military commands negotiating a disengagement prior to concluding agreements ending the war—agreements that are ordinarily signed by the political decisionmaking leadership groups.

In an interview with CBS, a U.S. television network, aired on 19 February 1989, Palestinian leader Yasir ‘Arafat said in this regard that he was holding indirect talks with Israel through personalities from the occupied territories, Europeans, and a UN official, to establish in southern Lebanon a truce similar to the 1981 truce, which Israel violated by invading Lebanon in the following year, and that the Israelis asked him personally for a cease-fire.

However, Avi Patzner, the spokesman for the Israeli prime minister's office, denied this and told AFP: "Israel is not holding any direct or indirect talks for a south Lebanon truce with either 'Arafat or with any PLO member." However, it was observed that the Foreign Ministry spokesman declined to comment on a similar question!

Perhaps one explanation for the Israeli denial is that Tel Aviv's rulers are trying to keep the proposed truce agreement undeclared, as in the case of what happened between the PLO and Israel in Lebanon in 1978 and 1981 and the case of similar Arab-Israeli agreements, or perhaps because announcement of the agreement would mean, in the view of the Likud's public and of its allies in the rightist parties, the beginning of Shamir's concessions to the PLO. This is what Israel's prime minister and his allies are trying to avoid or delay for as long as possible.

Israeli officials are unanimous in their statements that two obstacles are obstructing the way to peace in the Middle East, namely: dealing with the PLO and the establishment of a Palestinian state. In fact, the Likud circles in particular express great fears of the establishment of a Palestinian state as a danger that threatens Israel's existence, both as an entity and a state. But dealing and negotiating with the PLO as such is not a major problem, as one understands from Avi Patzner's statements and the statements of his colleague Yosef Ben-Aharon, the director of Shamir's office. In their opinion, the problem is in what is to be negotiated with the PLO, meaning that Shamir's government has come to face the following equation: There is international consensus pressuring Israel to negotiate with the PLO, and this consensus is reinforced by domestic pressures which are, at the same time, the causes of this consensus, of which the most significant is the Palestinian uprising. Israel's acceptance of this logic of events means its acceptance of the principle of the Palestinian state, i.e. acknowledgement of the Palestinian concept's triumph and of a further decline and retreat in the Zionist concept. This declining and retreating course began in the wake of the June 1967 war and took a sharp turn with the rise to power of the new "reformist Zionism," led by Begin, when Laborite Zionism was defeated in the 1977 parliamentary elections. The 1984 historic reconciliation between the new reformists and the Laborite Zionists when the two-headed cabinet was formed did not stem the decline. The glorious Intifadah then followed to confirm that Palestine, as a concept and a policy, is the number one challenge facing Zionism as a concept, a policy, and an entity.

This is why we can say that the endeavors of official Tel Aviv circles to meet with Palestinian figures fall within the framework of searching for suitable ways out of the situation and of making this fact palatable to the Israeli public. These circles are also seeking to accomplish a number of security objectives, including what Shamir

calls privately the possibility of these meetings contributing to improving Israel's image abroad. Meanwhile, other circles view these meetings as an indication of the progress developing in a part of the Israeli public opinion in the direction of opening dialogue with the PLO. A total of 54 percent and 53 percent of the people who have participated in 2 different public opinion polls have said yes to such dialogue, as al-Husayni noted after his meeting with the Shinuy leader. Al-Husayni also urged the Israelis to accept the idea that the "PLO is the Palestinian people's sole legitimate representative."

The PLO is well aware of the true situation. It also observes the rising Israeli willingness to open indirect dialogue with the PLO through these notables. Earlier, Israeli War Minister Yitzhaq Rabin urged the Palestinian notables in the occupied territories to abandon the "role of mailmen" so that he may begin negotiating with them. But he then assigned Shmu'el Goren, coordinator of the enemy army operations in the occupied territories, to meet with Faysal al-Husayni while the latter was under administrative detention. Israeli security sources leaked reports to the effect that the content of the dialogue was transmitted to the PLO. Rabin then demanded that the "violence be ended," i.e. the Intifadah be ended, as a condition for beginning negotiations with the Palestinians in the occupied territories. Rabin then withdrew this condition and expressed his willingness to meet with Palestinian notables from the occupied territories, regardless of their ideological and political affiliation and even if the "violence" continues. This approach has its special significance, considering that it emanates from the number one government and military official in charge of the situation in the occupied territories. In his response to radical rightist deputies who demanded that the Intifadah be suppressed, Rabin reiterated on 21 February 1989 that the Army is facing a real "popular uprising" and not just "terrorist acts" which are much easier to suppress.

Faysal al-Husayni believes that the PLO supports his dialogues with the Israelis and that these meetings give the PLO the opportunity to make its political positions even clearer. If we link this statement to what Brother Abu- 'Ammar said in his aforementioned television interview, we conclude that Tel Aviv is now seeking indirect negotiations with the PLO according to a set of priorities that reflect its wish to make some accomplishments without paying an exorbitant price for a truce in South Lebanon and for curbing the Intifadah's ever-accelerating pace so that it may present these accomplishments to the Israeli public prior to making any concession it may find itself compelled to make. This does not deny that Israel seeks primarily to foil the Palestinian peace initiative.

The archenemies have their calculations and we, too, have ours. In the same aforementioned interview with the U.S. television network, Palestinian leader 'Arafat said on 19 February 1989: "There is now an historic opportunity for peace in the area. So that peace may not

be just ink on paper, I offer Israel a proposal which no rational government can turn down, namely to establish an economic federation similar to the Benelux (Belgium, the Netherlands and Luxembourg) between Palestine, Israel, Jordan, and Lebanon. This entity can gain the economic support of the United States, the EEC, Japan, OPEC, and the Soviets as well. We await the Israelis' response."

Brother Abu 'Ammar had previously told Gerald Kaufman, the foreign secretary in the British Labor Party's shadow cabinet, when the two met at the beginning of last month: Let the Israelis come to the negotiation table. We have a lot to tell them and we will develop compromises for the various issues pending, according to the British official.

It seems that this proposal is one of these compromises.

Introduction of 'Armed Struggle' to Intifadah Discussed

44040278 Damascus SAWT FILASTIN in Arabic
Feb 89 pp 18-24

[Article by Muhammad Mubarikah]

[Excerpts] As the Palestinian uprising/popular revolution entered its tenth month last September—more unyielding and strong, and indeed more able to continue the struggle regardless of its length—all of the Zionist/imperialist pawns had fallen in retreat before the uprising, while attempts to outflank the achievements of the uprising had failed. Moreover, by virtue of the courage of the sons of our heroic people, who have sunk to the ground under the fetter of the occupation, the uprising had been able to wring recognition from the mouths of the Zionist occupiers, who acknowledged that the uprising is a "popular revolution,"—a continuing revolution that is starting to escalate, a mass revolution deeply embedded in the consciousness of our struggling Palestinian masses, a revolution with extensive roots, which the Zionist occupiers, equipped as they are with an arsenal of American arms, could not affect with their aggressive military machines, because of the fierceness and scope of the uprising/revolution. The iron fist of the occupation, all types of oppression, murder, destruction, deportation, the destruction of houses and group arrests did not succeed throughout the previous months in dislodging the masses of our people from their determination and resolve to challenge, remain steadfast, and expend blood on the way to victory, liberation, return and the establishment of an independent Palestinian state on the national liberated soil. [passage omitted]

The Uprising and the Crystallization of the Armed Struggle

Several observers, in addition to a number of reports and analyses, indicate that the confrontation between the Palestinian masses in the occupied homeland and the forces of the occupation army, the police and armed

settlers is a candidate for being open to new trends of a military character in the framework of the fighting occurring on the ground. In following the daily interactions of the Palestinian struggle, one observes that it is a civil struggle, which has not yet assumed a fully military character. It is a peaceful struggle in the sense that it is not an armed struggle, although there are incipient, albeit minor, indications that it might coalesce around the employment of the armed struggle method, a long-term popular war, and guerilla war formations in order to damage the heavily armed Zionist war machine with all types of weapons. One cannot fail to notice the extent of popular Palestinian desire and willingness to carry out military actions against the occupation forces, who persist in their oppression and brutality. It is possible to observe the development of means of confrontation used by the sons of our people against the forces, settlers and agents of the occupation. These means have developed from stones, rocks and empty bottles, to individual attacks and attacks with knives, and from there, to the use of incendiary bottles (molotov cocktails) which are considered the "primary" initial base in the womb of the armed revolution and the popular war.

There has also been an escalation of the violence of the confrontations carried out by the Palestinian "strike committees" and the "combat committees" subordinate to the uprising. It is impossible to know the exact number of actions involving molotov bombs being thrown at vehicles of the military occupation and its soldiers. However, it is possible to note several cases in which the personal weapons of several occupation soldiers were captured. Nonetheless, these are isolated cases which do not yet constitute a general phenomenon, despite indications pointing to the availability of the possibility to arm, control enemy soldiers and forces and bring double retaliation on them. Moreover, it is possible to observe that several units of the uprising strike committees have developed from being slingshot and stone units to being molotov cocktail and knifing units; fire-arms are also occasionally employed, particularly to assassinate agents who collaborate with occupation authorities. There is no doubt that the uprising/popular revolution has assumed advanced military characteristics, as indicated by outstanding internal resistance operations involving the use of explosive charges and rifles. In previous months, reports from the occupied homeland have mentioned that occupation forces neutralized a large explosive device, which had been placed at a military bus stop in Be'er Shev'a on 22 June 1988. On 25 June 1988, a device exploded when a military bus passed near it on the outskirts of Jenin in the occupied West Bank. Another device exploded near the university building in Ramat/Tel Aviv on 13 July 1988. There are numerous examples indicating Palestinian willingness to engage in military actions, such as the arrest by occupation forces of a Palestinian citizen armed with a Kalishnikov rifle and ammunition near the village of (al-Muqilbiyah) on 22 June 1988. Last month, enemy sources also reported that they had uncovered weapons

during house searches and combing operations in villages in the Galilee and around Haifa. Likewise, on 26 August 1988, enemy police sources reported that they had arrested an American tourist, who was accused of selling an Israeli-made Uzi machinegun and a quantity of ammunition to a Palestinian citizen from the village of al-'Isawiyah, north of the occupied city of Jerusalem.

Even though Palestinian resistance platoons and units operating in the occupied homeland had earlier made a decision not to carry out military operations in the occupied West Bank and Gaza Strip, or to carry out large operations in other places, so as not to steal the limelight from the uprising, several commando operations have been carried out with complete success. These operations included the planting of explosive devices, which exploded on 20 August 1988 at a coffee house frequented by enemy soldiers and security personnel on a crowded street in Haifa, which was occupied in 1948. This operation, and others similar to it, inflicted heavy losses on enemy ranks, confused the enemy and spread fear and alarm in its ranks. The enemy police spokesman stated that this explosion, in which 25 Zionist soldiers were wounded, is the "first of its type since the start of the uprising." Also, the enemy Minister of Police, Hayim Bar-Lev (Labor Alignment), acknowledged that "this operation is considered a very serious matter," and Shamir expressed fear that the uprising would extend into the interior of occupied Palestine when he said "that the Palestinians will sow the uprising in all parts of occupied Palestine, and attacks will no longer be limited to the occupied lands, but will also occur inside Israel". The state of alarm and fear in leadership circles in the Zionist entity is represented by the fact that they refrain from mentioning the true figures pertaining to the material and human losses caused by this explosion. However, they could not conceal their losses forever; only one day after the commando operation in Haifa, enemy sources announced that 3 Israelis were killed and 11 others wounded "in incidents arising from terrible traffic accidents", which is the pretext to which enemy authorities always resort, when they attribute their losses resulting from Palestinian resistance operations to "traffic accidents" of this type. [passage omitted]

Christian-Muslim Solidarity Since Intifadah Increased

44000429 Amman JORDAN TIMES in English
11 Mar 89 p 1

[Article by Najwa Najat]

[Text] Amman—The one-year-and-four-month-old intifadah in the occupied West Bank and Gaza Strip has cemented Muslim-Christian coexistence in the occupied territories, according to the bishop of the Evangelical Lutheran Church, Naim Nasir.

In fact there was never a "real problem with Muslim-Christian coexistence" in the West Bank and Gaza, said Bishop Nasir. "Under the present circumstances any religious discrimination which may have existed between the two faiths has dissolved entirely," he said.

Refuting some reports that indicate that Israelis treat Palestinian Christians "better" than their Muslim counterparts, Nasir said: "When an Israeli soldier stops a bus he does not ask who is a Muslim and who is a Christian; he treats us all the same."

The unity and solidarity among Palestinians have also been reflected in some extremist factions which used to call for the establishment of an Islamic state, he said. "They have now changed their tone and are calling for a Christian and Muslim state on the land of Palestine," he pointed out.

However, the majority of the Palestinians in the occupied territories are demanding an end to the Israeli occupation rule and the establishment of an independent state, Nasir said.

The Christian community makes up four to six per cent of the occupied territories' inhabitants, with the majority concentrated in the West Bank.

Between 10 and 20 Palestinian Christians have been killed in the intifadah, and during the last quarter of last year 27 percent of those detained at Ansar II were Christians, said Nasir.

"All detainees and martyrs have given the intifadah further impetus. Palestinians face the Israeli soldiers with bared chests and I believe the intifadah is now stronger than when it first started," Nasir said.

He also believes that had it not been for the intifadah, the status quo would have continued. "We would have remained refugees with no identity. Twenty years was enough and forty years was too much," he said.

Any solution that falls short of an independent state and the end of occupation is rejected by the inhabitants of the occupied territories, according to Nasir.

Moreover, he stressed, the people in the West Bank and Gaza support any decision taken by the Palestine Liberation Organisation (PLO), and refuse to recognise any other form [of] representation for the Palestinian people.

Over the past 16 months the Evangelical Lutheran Church played a minimal political role. "As a church, we are a member of the Palestinian society, living under occupation for 21 years. As a church we believe in non-violence, and our role during the intifadah is to help the people maintain their faith in God and to pray for peace and justice," he said.

'Right of Return' Discussed

44040359 Nicosia *FILASTIN AL-THAWRAH* in Arabic
12 Mar 89 p 52

[Article by Sa'adah Sudah: "George Habash's Natural Right"]

[Text] One of our popular proverbs says: "Oh for Acre's fear of the sea's roar."

Acre's inhabitants do not, in fact, fear the sea. In contrast with the inhabitants of coastal towns who are known to be tempted to ride the waves into the distance, the city's inhabitants are well-known for their strong attachment to the city which frustrated Napoleon Bonaparte's hopes to follow the footsteps of Alexander of Macedonia and to invade the entire orient. Acre's neighbors in Jaffa have often joked that Acre people "swear by their emigration" when they go beyond their city's walls, as friend Ahmad Dahbur has said while showing his son the province of Palestine—sister paper *AL-UFUQ*, 8 December 1988. Even though when listing the villages of the province, friend Dahbur fails to mention by name Tarshiha, the gem of the province—and may its neighbors permit us to say so—he will remain a friend and a dear man.

Danny Rubenstein, an Israeli journalist, tells us (*DAVAR*, 27 January 1989) about his neighbor Abu Nabil, a resident of the western side of Hanevi'im Street in al-Musarah Quarter of Palestine's capital—a man who was uprooted and driven away from his home in the 1948 war, who moved to the eastern side of the street, only 40 meters away from his home and who "has absolutely no doubt that he is a refugee and that he has been uprooted."

However, in the course of talking about the PLO's "false moderation," a politician like Len Amnon finds in himself the ability to say (*MA'ARIV*, 1 February 1989): "I know of no single case in which an official Palestinian figure or an official and authorized institution has proclaimed its abandonment of the right of return." Len is a skillful politician who knows when to shift parties, depending on an election "thermometer" which shows him the winner. He was one of the participants in the "liberation war," as the Israelis call the 1948 war, and he fought in North Palestine. Therefore, he is well aware of how and who forced the majority of the area's inhabitants to leave it and go to the refugee camps of Lebanon, Syria and Jordan. Finally, Amnon is the author of studies on "Israel's Arabs," including a study entitled the "Arab Refugees Issue."

In his article, Amnon was not content with truncating and "collaging" passages to achieve his objective. He even "plagiarized" the ideas of his colleague 'Amos Gilboa', an ex-adviser for Arab affairs who wrote (*MA'ARIV*, 6 January 1989): "I know of no Palestinian

leader from the PLO or even from among the moderates or the pragmatists who has renounced this right (right of return) or who has not put this right at the top of his demands."

What provoked Gilboa' at the time was an editorial published by a prominent Israeli newspaper in comment on PLO Executive Committee Chairman Yasir 'Arafat's address to the UN General Assembly and his subsequent statements in Geneva. Greatly annoyed and disgruntled, Gilboa' says: "He ['Arafat] could have abandoned the renewed talk about the 1948 refugees' right to return to their past places of residence or to be compensated for not returning." In an article entitled "Palestinians' Right of Return/End of Zionist State," Gilboa' ridiculed the newspaper for its ignorance and expressed the view that this right is the "PLO's heart and spirit."

The truth is that in his address, 'Arafat did, and this was no coincidence, mention the right of return 4 times, saying in the final mention: "Eager as they are to achieve their legitimate national rights to self-determination, to return and to eliminate occupation from the Palestinian state, our Palestinian people are equally eager for the peaceful procession to achieve these objectives." It is also no coincidence that journalists, whose profession impels them to ask provocative questions, asked brother George Habash, the leader of the PNC [Palestine National Council]'s minority opposition, about this issue. He responded: "As a native of Lod, I am entitled to return to my town, Lod."

The Executive Committee chairman transmitted to the UN members the resolutions adopted by the Palestinian legislative authority's latest session. These resolutions note the "right of return" twice in the "proclamation of independence" and 4 times in the "political declaration," most significantly in the declaration which puts the emphasis on "solving the Palestinian refugees issue in accordance with the UN resolutions on this matter."

Israeli Jews who, despite the oppression and tyranny being practiced against the inhabitants of the occupied bank and strip and despite the policy of discrimination and inequality practiced against "Israel's Arabs," boast that they are the "oasis of democracy in the east" should not have expected the Palestinian leader to swerve from the resolutions of the highest Palestinian authority. Considering that they themselves "have returned" after hundreds of years, these Jews should not have misunderstood the true nature of the "Palestinian moderation," which is embodied essentially in the willingness to hold dialogue on and to discuss all dimensions of the Palestinian issue within the framework of an international conference. It is no secret that dialogue is one thing and "concession" is another and that dialogue means discussing settlements and compromises that do not kill the shepherd or let the sheep perish.

They should not, moreover, have ignored the fact that the "right of return" is nearly the sole Palestinian right stated by UN Security Council resolution No 194. This resolution was issued on 11 December 1948 and it states in article 11: "Refugees wishing to return to their lands and to live peacefully with their neighbors must be permitted to return as soon as possible. Those who decide not to return to their lands must be compensated for their properties."

Perhaps in their rush to count the times 'Arafat mentioned the "right of return," these Israeli Jews failed to notice the tone of "philosophical bitterness" which characterized the beginning of 'Arafat's address in which he pointed out the difference between his first appearance before the United Nations in 1974 and his second appearance 15 years later and the difference between the dream of establishing a "democratic secular state" on all of Palestine's soil for all those living on this soil and the new Palestinian plan included in the address and based on embracing the "possible, not absolute, justice." They are undoubtedly aware that the possible depends on the current circumstances whereas the absolute continues to be the ultimate objective of individuals, of peoples and of all mankind. This is something which all our religions order us to seek and which is dictated by our human nature.

Within the logic of seeking settlements and compromises, which is the fundamental reflection of the desire for peace, the "right of return" will, like all dimensions of the Arab-Israeli conflict whose mainstay is the Palestinian-Israeli conflict, be subject to scheduling and programming in a manner that insures implementation of the UN resolutions. The Palestinians have their right to return to their homes or to be compensated for them and the Israelis have their right to international guarantees or other articles to ease their fears and their security.

If some of the more apprehensive and fearful Israelis continue to raise doubts regarding the "Palestinian national charter"—doubts which the United States itself has overcome—then logic confirms that it is possible to discuss some of the charter's articles, especially since more than 20 years have passed since issuance of the charter (17 July 1968), in light of the fact that the PLO reconsidered the national charter it issued on 28 May 1968 only 4 years after it had proclaimed it and in light of the "proclamation of independence" which is, from a legal standpoint, a constitutional document which dispenses, to one degree or another, with the "national charter."

In the age of "international organization," which is the legal term used for our age since the United Nations was founded, there is no place for using the "right of conquest" or "invasion" as an argument for gaining rights. In the current phase of international relations, which are built on the "balance of interests" and not the "balance of powers," it is possible for, rather it is the duty of the two warring parties to seek to meet halfway.

As for the "natural, historical and legal rights" which constitute the basis of the "proclamation of independence," they are not, as our colleague Jawad al-Bashshiti rightly noted in *FILASTIN AL-THAWRAH*, 5 March 1989, "a viewpoint" that could be right or could be wrong.

Rise in Thefts, Absence of Police in Territories Described

44040342b Jerusalem AL-BAYADIR AL-SIYASI in Arabic 25 Mar 89 p 39

[Article: "Why Are 'Thefts' Proliferating Now?"]

[Text] In some parts of the occupied territories, regrettable thefts, which are alien to our patient, faithful, and steadfast people, have been on the rise recently. These events have become so numerous that not a day passes without the domestic papers' local events page reporting a theft here or a robbery there. Moreover, some of the Israeli television's newscasts have reported such incidents and interviewed Hebron notables and reformers. Being the magazine of the Palestinian masses with their concerns, problems, joys, and sorrows, we at *AL-BAYADIR AL-SIYASI* follow and observe with concern and hope whatever dangers may undermine our cohesive society. We criticize and analyze these dangers and make our conclusions on the consequences that they may generate, we draw attention to the dangers and call for vigilance and alertness so that our society may not be harmed and may remain, even under the most difficult circumstances, a firm and cohesive society that renounces any impurity that tries to live within it. From this starting point, we can see the reasons behind the proliferating thefts and the objectives hoped to be achieved by the proliferation of such incidents.

Causes of Thefts

The proliferation of thefts in any society indicates a low standard of living among many of the society's members; the spread of unemployment, especially among the youth; and the lack of social stability and security. This situation motivates society's members to resort to the authority, any authority, that can provide these elements. This is the course they want our society to follow. The authority, having lost nearly every bond that ties it to society's members by virtue of the ongoing events in the occupied territories, is trying to prove that the people need it and that, on the other hand, the counterauthority is unable to provide protection and security to the people and their property. This is what can be clearly concluded from an interview Israeli television conducted in Arabic with the military governor of Hebron. The governor, speaking in Arabic, refused to allow the citizens to form a group made up of citizens to guard the city's businesses, unlike the British mandate and the Jordanian rule which permitted such groups. Rather, the governor insisted that the citizens concerned turn to the various

agencies of the military government for an obvious purpose, namely that the citizens return to the military government humiliated as they had walked away from it proudly.

This conclusion is also made from the statements of people who have frequently turned to the police agencies to report thefts. These agencies refused to respond to their complaints and all they did was to file a complaint against unidentified individuals. Often, the agencies even refused to file a complaint on the pretext of lack of personnel and of the resignation of policemen. It can be thus concluded that the authority wants to exploit the proliferation of thefts to make a very major accomplishment. It wants the people to return to it, wants the policemen to then resume their work, and wants everything in the occupied territories to return to the condition which prevailed before the intifadah [uprising] erupted more than 15 months ago. Our conclusion is clearly indicated by a number of thefts which took place in numerous parts of the occupied territories and behind which, it later became obvious, the authorities stood. The Israeli media have reported the exposure of a band of soldiers and officers who committed a series of armed robberies in Gaza's al-Shaykh Radwan Quarter while they were performing their military service there. This band's members donned Arab garb, used stockings for masks, and raided homes during night hours. Moreover, numerous thefts take place in sensitive parts of the towns and villages and some of them even take place near police stations or near buildings whose rooftops are used by the Army for observation points or buildings close to observation points. This gives rise to big questions regarding the identity of the thieves and the objective of the thefts.

Another development has surfaced in connection with the methods employed by the thieves, namely the endeavors to distort charitable acts, to stop people from trusting each other, and even to stop people from providing assistance and protection to those who need it, and they are many nowadays. The proof of this is that some of the thefts have been committed by people posing as collectors of donations for the families of the martyred and the detained or as individuals being pursued by the Israeli Army. This shows how dangerous are these thieves and how serious are the objectives they are seeking to accomplish.

Ways To Deal With the Situation

These incidents are not alien to any society experiencing what our Palestinian society in the occupied territories is experiencing. Numerous societies which went through the national liberation phase—at whose peak we are—have experienced this social condition more comprehensively and cruelly. But with the awareness and vigilance of their members and with their care for their property, those societies were able to overcome this condition. Therefore, the most important method that must be

employed to end this abnormal condition is to spread awareness, vigilance, and caution among the citizens so that they may preserve their property and protect their homes.

The second method is to form citizens' guard committees for the various quarters and business districts, as is the case in numerous areas. The committees should not be public so that they may serve their purpose.

Another and more important means is not to be lenient with people who commit theft, regardless of how minor the theft is. These people must be renounced, exposed, and punished most severely by the circles concerned with continuation of the phase we are undergoing and with achieving the desired objectives. One must note here the resolutions made by Hebron's Charity and Reform Group, the most significant of which is the resolution permitting the killing of a thief. Though harsh, this penalty—dictated by virtue of the private and public consequences that may emanate from the theft incidents—will deter whoever contemplates tampering with people's fates and with the future of the entire society.

In conclusion, we at AL-BAYADIR AL-SIYASI hope that this abnormal phenomenon will disappear without leaving any ill consequences for our cohesive and firm society so that this society may be able to carry on with its sacred mission and may achieve the desired objectives.

Prominent West Bank Palestinian, Ibrahim Al-Daqqaq, Interviewed
44040350 Jerusalem AL-BAYADIR AL-SIYASI in
Arabic 18 Mar 89 pp 22-28

[Interview with Ibrahim al-Daqqaq by Wafa' al-Bahr: "In Exclusive, Heated and Lengthy Interview Ibrahim Al-Daqqaq Says, 'International Conference Is Normal Place, Provides Real Guarantee for Solution to Palestinian Problem; Solution to Problem Does Not Lie in Finding Solutions and Drafting Future Political Scripts';" date and place of interview not specified; first paragraph is introduction by AL-BAYADIR AL-SIYASI]

[Text] Ibrahim al-Daqqaq, president of the Arab Intellectual Club in Jerusalem, past president of the Engineers' Union in the occupied territories, and author of many articles and research studies on economic development in the area, has a special outlook on all new beginnings and all political developments in the Middle East question. He has his own outlook in particular on Bassam Abu Sharif's document, on the resolutions of the Uprising Summit in Algeria, on the Stockholm Document, and on the historic address delivered by Yasir 'Arafat, or Abu 'Ammar, the chairman of the PLO's Executive Committee, in front of the UN General Assembly meeting in Geneva. Al-Daqqaq also has his own outlook on the message which Salah Khalaf, or Abu Iyad, addressed to Israeli public opinion at a conference

that was held in the Israeli Center for Peace. This message, which has been considered a daring, Palestinian, diplomatic step broke through the barrier of an Israeli ban to start the movement of the peace process in the area.

Although we agree with some of the questions which Mr al-Daqqaq set forth in the course of his interview with AL-BAYADIR AL-SIYASI Magazine, we may not agree with him on other issues and political positions. In the final analysis, however, al-Daqqaq does not move far away from the general circle of Palestinian thinking. He sets forth the Palestinians' general concerns, and, like any other Palestinian, he looks forward to a just, comprehensive and lasting solution in the area. "Otherwise, ..." Al-Daqqaq warned, "The Middle East area stands now at a crossroads. It could move toward destruction or toward peace."

The text of this exclusive interview follows.

[AL-BAYADIR AL-SIYASI] What are the main functions which are required of all groups of Palestinians, as well as Palestinian leaders, inside the country and abroad so that we can reap the greatest political benefit from what is taking place today in the occupied areas?

[Al-Daqqaq] I will try to give you an answer that brings together several ideas which come to mind during this period in particular. In my judgment the main function is that of rallying the Palestinian national rank inside the country and abroad around the program which was recently approved by the PNC [Palestine National Council] in Algeria. This action and adhering to it is the function that takes precedence over any other. Appropriate tools must be provided so we can rally everybody around this action and bring about this general, national agreement. Foremost among these tools is that of making responsible national dialogue delve deeper into current and developing issues as well as issues which are expected in the future. This also requires that there be more confidence between the various Palestinian parties. It requires the creation of a broader measure of national agreement on domestic and foreign issues, and it requires respect for the right of those inside the country to set forth their ideas which stem from their daily suffering. That has become an extremely significant historic experience. Having such a responsible, national dialogue also requires respecting the right of Palestinians abroad, in their attempt to implement the strategy determined by the PNC, to take responsible action on all Palestinian, Arab and international levels. These are the main functions which are required at this time. That is why I think there is a great need for vigilant and responsible action. I think it is necessary to block attempts made by any hostile parties inside or outside the country to strike at national unity.

[AL-BAYADIR AL-SIYASI] Are there certain fears and dangers that a certain "game" could cause this glorious uprising to be aborted?

[Al-Daqqaq] These fears and dangers which could do harm to the uprising are undoubtedly the subject of interest inside the country and abroad. These fears are justified because of the historic experience our people lived through, an experience which has been characterized by the intervention of foreign forces in the course of action taken by Palestinians and by these forces' tireless actions to divert Palestinians from their course of action. Let me say once again that precautions must be taken against a variety of possible threats to the Palestinian course of action that are intended to keep it as an "historic aberration" which could lead to no solutions to Palestinian, Israeli, or Arab problems.

It may be asked, what are those fears and dangers? There has to be a variety of indications of what these fears and dangers are. Foremost among these is the attempt to force an end to the uprising under the pretext of setting up the appropriate conditions for the political process to grow. And yet, in all their movements inside the country and abroad, the Palestinian people, of course, rejected such attempts. We have a right to continue to be cautious. We have a right to probe and to contemplate this situation in depth. We have a right to explore the various possibilities about the start of a new conspiracy against our Palestinian people in general and against the uprising in particular.

In this regard we can also call attention to the timid steps which were taken by the United States to meet the Palestinian peace challenge. We can also call attention to the continuous critical remarks about the PLO and its policy which are coming from the American command. It is certain that good intentions cannot account for these critical remarks which rather follow the same old logic of trying to bring our people to their knees, to badger them, and return them to square one.

[AL-BAYADIR AL-SIYASI] Don't you believe that freedom of action for Palestinians on all levels has been restricted after talks between Americans and Palestinians were started and after declared and undeclared statements about these talks were made?

[Al-Daqqaq] The American administration's critical remarks about Palestinians' political performance cannot and may not limit the PLO's freedom of action. The address which Yasir 'Arafat delivered at the United Nations and the responsible positions which were taken after that address was made constitute a responsible Palestinian commitment not only to the United States, but also to the entire human community. Furthermore, they represent a Palestinian commitment to every Palestinian who lost his life on this land or who is still fighting tenaciously to achieve the national, enduring rights of the Palestinian people.

[AL-BAYADIR AL-SIYASI] President George Bush said in one of his statements, "I would like to see direct negotiations between Israel and King Husayn." The Americans have also warned that any operation in which

the [occupied] areas are infiltrated could lead to suspension of the talks. What is the use then of these talks? What do you believe is the PLO's designated role in the area?

[Al-Daqqaq] Mr George Bush, the American president is entitled to ask for what he wants. His right to do so is undeniable because it stems from a human principle which allows every person to speak his mind, to dream, or to determine what he wants provided none of this constitutes any aggression against any other party. But we too are entitled, based on the same premises, to tell President Bush that we do not agree with his point of view. We have a right to tell him that the Palestinian people have proven unequivocally and indubitably that they are one, united people who are represented by the PLO. That is why there is absolutely no justification in our opinion for repeating the statement that the road to peace lies through direct talks or direct negotiations between Israel and Jordan. We fully appreciate the fact that Jordan has its own national interests and that it is concerned about achieving what would guarantee its rights in the context of an international conference to be attended by the various parties, including European countries. On 31 July 1988 King Husayn declared that Jordan's ties to the West Bank would be broken. He affirmed that Jordan would not demand Jordanian sovereignty over this land, and he reinforced that position by fully recognizing the forthcoming Palestinian state and elevating Palestinian representation in Amman to the embassy level.

[AL-BAYADIR AL-SIYASI] What about the American administration's warning that it would suspend talks with the PLO?

[Al-Daqqaq] The American administration's claim that talks between Palestinians and Americans would be suspended if infiltration operations are not stopped requires that President Bush be reminded that Israeli occupation of Palestinian land continues. President Bush must be reminded that Israel is still challenging the wishes of the international community, as these are manifested in various positions, foremost among which are the successive UN resolutions. We want to remind President Bush of that, and we want to assure him that we disagree with him completely. We want to tell President Bush that we disagree with the declared American position and with the nature of American policy. We did not go to other people's land to fight there as the United States did in Vietnam, in the Dominican Republic and on the island of Grenada. Instead, we are striving to liberate our land, to exercise our sovereignty over this land, and to enjoy the right to make a choice and determine our destiny. Should President Bush forget that we are entitled to those rights just as other peoples of the world are entitled to them, [we suggest that] he review international resolutions and documents as well as the 14 points which were outlined in 1917 by former American president, Thomas Wilson.

[AL-BAYADIR AL-SIYASI] But what would be the use of these talks?

[Al-Daqqaq] They would be useful for Palestinians and for the Americans as well. There is no need to badger the Palestinians to force them to take unethical positions. After all, they are interested in liberating their land. They are extending their hands for peace and asking that the United Nations become involved in forging this peace and guaranteeing the security of all states in the area. The Americans are also interested in the establishment of such a peace because that would spare the world the dangers of new wars in the area or throughout the world. Once again, there is no need to badger the Palestinians because that will serve neither Palestinian nor American interests.

[AL-BAYADIR AL-SIYASI] What about the PLO's designated role in the area?

[Al-Daqqaq] The PLO's role in these talks is a clear one. It has been outlined by PNC resolutions and reinforced by the glorious uprising in the occupied land. Those who deny the profound connection between Palestinian action inside and outside the occupied land are very much like those who deny the obvious.

[AL-BAYADIR AL-SIYASI] Do you expect a serious American initiative will be made under the Bush administration?

[Al-Daqqaq] I do not believe that we need other American initiatives. We've had enough American and non-American initiatives during the past 4 decades. The present initiative we have now was prompted by the PNC resolutions in Algeria and sanctioned by the blood of those who lost their lives on Palestinian territory over 15 months ago. This is a serious initiative which must be taken into consideration. In the course of their struggle which assumed a variety of forms, Palestinians have affirmed that they are interested in creating peace which is based on justice and equality. Apart from that, they have not strayed from the course, although there are those who are trying to make them turn away from that course and take them back to a position which would deplete their energies, prolong the Israeli occupation, and keep the Palestinian people out of the picture altogether. Naturally, the Palestinian people resolved not to allow that to happen no matter what.

[AL-BAYADIR AL-SIYASI] In view of the change which is evident in the American position, do you think it is necessary to establish a Palestinian lobby in Washington that would apply pressure on the American administration to recognize the rights of our people?

[Al-Daqqaq] At first, we must talk very briefly about what the question says is an evident change in the American position. The change which is taking place in the American position is a change in the position of mainstream Americans, and it is a real change, not a

superficial one. If there is a gap in the United States, it is the one which exists between the growing American desire to find a solution to the ongoing, bloody conflict in the area and the position of the American administration which is trying to turn a deaf ear to those Americans who have expressed themselves on more than one occasion and in more than one method. That is why talking about establishing a Palestinian lobby in Washington does not of course contradict the need to invoke U.S. laws and to use growing awareness of the problem in the United States against the American administration to compel it to listen to what Americans are saying with a greater sense of responsibility. The United States must be made to comply with the requirements of furthering international detente in our area and in the whole world. Such a lobby, if established and properly managed, could essentially help in the ongoing process of creating a just and lasting peace in the area.

[AL-BAYADIR AL-SIYASI] Now that President Bush has assumed the office of the U.S. president in the White House, Richard Murphy's shuttle trips to the Middle East have stopped. In your judgment, who will be the U.S. president's best envoy to our area?

[Al-Daqqaq] I do not have an opinion on the choice that is to be made. I have no preference for any one person, but what is of interest to me in this regard is the nature of the policy which the American administration will adopt in our area. I am one of those who do not believe that people can play havoc with international policies which are subject to the balances of power in the area. That is why the choice which will be made and the kind of person who will be chosen will express the nature of the American approach and the extent to which the United States is serious about working with others to convene an international conference, discuss existing problems, and offer essential guarantees for any agreements which are executed. Given this understanding, I do not think that appointing Kissinger or anyone else will change the nature of U.S. strategy in the area or the extent to which it is sincere about participating effectively in creating a just future in the area. The fact that Damascus would be the U.S. envoy's first stop is something that I believe is appropriate. My reasons for believing that are, first, the Syrian position is one which stems from Syria's point of view on the existing conflict. By that I mean that Syria has its own reasons for its position. There is the situation in Lebanon and its complications. Syria wants to find a quick solution to that situation, provided its own security is safeguarded and a regime which is not hostile to Syria is established in Lebanon.

A solution to the Lebanese problem—and the United States has an undeniable role to play in that regard—will help normalize relations between Syrians and Palestinians. It will provide better opportunities for the establishment of a clearer and a more profound understanding between the confrontation countries against Israel. The realization of this profound understanding will expedite

the process of convening an international peace conference, and it will increase its chances of success because the Arab countries, [that is,] the confrontation countries, will form a united rank as they go into this conference, and that will not allow Israel or anyone else to engage in any ploys.

[AL-BAYADIR AL-SIYASI] Blowing up the Pan American Boeing jet happened at a time when the United States announced its willingness to talk with the PLO. This announcement was made after President 'Arafat's historic address in Geneva. Palestinians and Arabs were held fully responsible for what happened. Do you believe that such a terrorist incident was intended to strike a blow to the Palestinian peace offensive? What do you think on the whole about the incident of blowing up the airplane?

[Al-Daqqaq] First of all, we condemn the act of blowing up the airplane. We cannot possibly accept such methods of expressing opinions. I believe that those who were behind this operation are cowards. Otherwise, they would have declared who they were. That is also why I firmly believe that blowing up the airplane, after it was established that someone had planned this operation in the aftermath of Yasir 'Arafat's address in Geneva, was an attempt to strike at the peace efforts and put an end to this responsible initiative. It was an attempt to plant doubts about the Palestinians' declared intentions for peace. Thus, my condemnation of this operation is based on two principles: a humanitarian principle and a political one. Both are two sides of the same coin.

[AL-BAYADIR AL-SIYASI] Mrs Rita Hauser, one of the American Jews who took the initiative of meeting with Yasir 'Arafat, told Garrick Utley, the host of NBC's television interview program, "Meet the Press," that she was very much surprised when she met President 'Arafat in Sweden because "he was not the man he was portrayed to be." The point I want to make is this: Are we contemplating the possibility that a real change toward the Palestinian question could take place within the Jewish-American lobby? Can such a change eventually be used to apply pressure to policy makers in Israel to expedite the establishment of peace in the area?

[Al-Daqqaq] It is true that we don't need to say that we hope that a real change will take place among Jews in the United States. This change, which has actually started, continues to grow unabated. This change which has taken place in the way American Jews look at Palestinians is spreading rapidly among Jews throughout the world, especially in Israel itself. We hope that this growing understanding of the reality of the Arab-Israeli conflict among Jews will continue to grow. We hope it will restore Israeli policy to its senses, enabling Israel to save itself from the gloomy future toward which its present leaders have been driving it.

We are always pleased to have a neighbor who bears us no ill will and who has no hangups about the Palestinian people. As we turn our efforts to building our state on Palestinian land and to rebuilding our society with a sense of cultural responsibility on land which has been the birthplace of cultures, we hope that Jews wherever they may be, in the United States or in Israel, will be aware of that major fact. We hope they realize that Palestinian intentions are truthful and that Palestinians are clearly looking ahead to building a sunny future in a free country for fortunate people.

[AL-BAYADIR AL-SIYASI] As you examine the events and new situations which developed, Mr Ibrahim al-Daqqaq, do you think that Soviet and American positions are getting closer? What is your evaluation of the new Soviet policy in the Middle East?

[Al-Daqqaq] I believe that Soviet policy on the Palestinian question is a policy that has been and still is balanced and responsible. The Soviet policy's support for the Palestinian people during the past 2 decades was actually an attempt to put out the fires of the conflict in the area and prepare the climate for a real relaxation of tensions among the countries in the area, including Israel. This applies of course to recent Soviet actions which have been highly dynamic and obviously smart. On the one hand, this policy finds, as indicated by Shevardnadze, that circumstances were historically and realistically right for establishing the foundations of a just and lasting peace in our area. On the other hand, I find nothing to cause me to worry about the fact that Soviet and American positions are getting closer to each other. But, as I mentioned in different places, this ongoing movement toward closer positions does not rule out the fact that in many respects the two policies are not identical. We may not think that the Soviet position is identical to the American position.

The two superpowers' movement toward closer positions increases opportunities for international detente, and greater international detente would keep Israeli military policy in check, restrain the Israeli military, and place limits on Israel's aggression against Arab countries and against the Palestinian people. What I am hoping for is more coordination between Soviets and Americans because such coordination will mean an earlier date for convening an international conference, and it will increase opportunities for stopping the ongoing aggression against our people in the occupied land and in Lebanon.

[AL-BAYADIR AL-SIYASI] Do you think that Shevardnadze's travels in the area were merely for show? How would you comment on that?

[Al-Daqqaq] I do not believe that Shevardnadze's travels in the area were conducted just for show, and, as I mentioned previously, they were not intended to catch up with the American role or to prove a Soviet presence in front of the United States. During the past 3 years,

after Chairman Gorbachev announced the glasnost and perestroika policies to reconsider and reorganize policies in the Soviet Union, it became evident that the Soviet Union was quite sincere in its appeal for putting out the fires in the world's trouble spots. The Soviet Union proved its sincerity by withdrawing fully from Afghanistan, in accordance with the agreement which was reached under UN supervision. The Soviet Union's true intentions were also confirmed in special initiatives for unilateral disarmament regarding some kinds of weapons. All these matters affirm that the Soviet approach in foreign policy has become more dynamic. The Soviets are sincerely trying to take advantage of situations which have become possible through international detente and situations which have resulted from the uprising of our great people in the occupied land. That is why I think it is not necessary to think that the Soviets are doing what they are doing to catch up with the American role in the Middle East or that they are engaged in a conflict to prove their presence in the Middle East area.

[AL-BAYADIR AL-SIYASI] Speaking of Afghanistan, don't you think that the Soviet withdrawal from that country was a free concession to the United States, especially since matters have been getting worse after the Soviets' withdrawal from that country?

[Al-Daqqaq] First of all, Afghanistan may not be considered a country where any party can do what it pleases. That is why we cannot look at the Soviet withdrawal from Afghanistan as a free concession to the Americans, because when the Soviet Union withdraws from Afghanistan, it is not withdrawing from Soviet territory. It is assumed and it is essential that the Afghani people exercise their right to determine their destiny without the intervention of any party whatsoever, Soviet, American or Pakistani. Afghans must be allowed to find the best framework under which the various groups in the country can work together. It is my judgment that Afghans are more capable of finding the appropriate solution if all forces stay away and do not intervene in Afghanistan's domestic affairs. Pakistan in particular as well as the United States should follow the Soviet Union's lead and set an example by adhering to international covenants.

[AL-BAYADIR AL-SIYASI] Would you accept an international conference in which the Soviet Union and the United States would be the only participants?

[Al-Daqqaq] When we talk about the international conference, we must mention the fact that other countries besides those in the area as well as the Soviet Union and the United States are interested in peace in this area. In addition to their interest in peace, these countries have legitimate interests in the Mediterranean basin, a waterway of foremost importance. Four European Community countries, Greece, Italy, France and Spain, have ports on the Mediterranean. These countries also have a special interest in other international waterways that are on the other side of the Suez Canal, the Red Sea and Bab

al-Mandab, the gateway to Aden. That is why these countries have a right to participate in the international conference. They have a right to guarantee the rights which are provided to them by international law. They can do that by participating in formulating the international guarantees which could end any possibility in the future for war and endangerment in this area. Once again, [let me say that] I believe that an expanded international conference would be the best guarantee for constructing a lasting peace in the area.

[AL-BAYADIR AL-SIYASI] The talks between Palestinians and Israelis inside the country and abroad constitute a phenomenon which has become tantamount to a clear policy for the PLO. Do you believe these talks could have a positive outcome, given the fact that the official Israeli side in those talks is showing no flexibility and is making no concessions?

[Al-Daqqaq] The talks between Israelis and Palestinians inside and outside the country did not stop. I recall that I personally participated in a workshop which was held in the American Colony Hotel in 1978. That workshop was attended by Palestinians who hold positions of major responsibility, like mayors and other figures. Israeli officials also attended the workshop. I recall that Shulomit Aloni, Li'ova Eli'av and others were among those Israelis who attended.

These meetings are useful for both parties. They break down the barrier of mistrust, and they allow Palestinians to break through and reach what was one time called the Israeli national consensus. These meetings allow Palestinians to show themselves as they really are: nationalists, who are looking forward to coexistence and to peace and who have a profound understanding of their cultural and historic role. What is happening these days rounds out what was started years ago. I believe that further clarification of the Palestinian position is necessary as long as those engaged in the talks remain committed to the resolutions which were issued by the PNC and do not allow themselves to enter into negotiations with the Israelis. I think that negotiations with the Israelis must be limited absolutely to the PLO. None of the other various parties should be involved in such negotiations.

[AL-BAYADIR AL-SIYASI] Mr Bassam al-Shak'ah, the deposed mayor of Nablus, condemned these talks in a statement he made. What do you think about that?

[Al-Daqqaq] Mr Bassam al-Shak'ah, of course, is absolutely free to say what he thinks because he is one of this country's men. But I do not agree completely with his opinion. I think the meetings are useful if they take place within the framework which I mentioned previously.

[AL-BAYADIR AL-SIYASI] In light of the video message which Abu Iyad addressed to Israelis who were participating in the Israeli Peace Center's conference which was held recently, do you think that message constitutes a new policy which the PLO is starting to

adopt at a time when the recent session in Algeria and all the Executive Committee's resolutions have affirmed that an international conference with full powers was the basis for any just and lasting solution?

[Al-Daqqaq] Abu Iyad's message was successful, and the style in which it was presented broke through the wall of silence which Israel had been trying to build around Palestinians. This confirms the fact that Palestinians, wherever they may be, can talk confidently and responsibly with Israelis. In addition, Abu Iyad's message shatters the image of the stereotypical Palestinian which Israel has been trying to promote. Israel has been trying to show the Palestinian as an uncivilized extremist. Abu Iyad's message establishes intellectual and human contact between Palestinians and Jews.

This then is not a new policy. Palestinians did meet with Israelis in the past. It is, however, a new tool rather than a new policy. Salah Khalaf, who is a Palestinian and a son of Palestine, cannot come to Palestine to speak with Israelis even though it is his natural right to do so. That is why he found a way to circumvent this ban and to reach Israeli citizens with his voice and his image.

[AL-BAYADIR AL-SIYASI] In an interview that was conducted recently with Mr Faysal al-Husayni, Mr al-Husayni thought that the matter of convening an international conference was neither a Palestinian nor an ideological legacy. He thought that new political developments could occur and that positions could be altered in the future. This means that Israelis could call for an international conference and Palestinians could call for direct negotiations.

[Al-Daqqaq] I do not agree with that because we are not engaged in writing history. We are rather engaged in politics, and we are talking about politics. It is, therefore, quite clear now that the normal place for finding a solution to the Palestinian problem and obtaining real guarantees for all the parties to the conflict is the international conference. Countries that have an interest in this conference would be invited to participate. These are the confrontation countries, the European countries which have ports on the Mediterranean Sea, and, of course, the Soviet Union and the United States, whose roles in the conference cannot be ignored.

[AL-BAYADIR AL-SIYASI] Are we then to understand that you oppose the new political positions which were mentioned in Mr Abu Iyad's message?

[Al-Daqqaq] I did not discuss what Abu Iyad said. I talked about a specific point. I said that he broke through the Israeli barrier and that he was thereby able to speak directly to the Israelis' minds. The Israelis had tried to keep that from happening.

[AL-BAYADIR AL-SIYASI] But what do you think about such a proposal?

[Al-Daqqaq] Abu Iyad did not rule out the conference, and he did not mention that talks were taking place outside the international conference. On the contrary, what I hear from Palestinian figures in the PLO, especially from Mr Yasir 'Arafat, is that the determination to convene an international conference is there. But the question about the possibility that positions could change is an assumption which requires proof. We are not fortune tellers; we are analysts who analyze an existing political situation. What is being proposed today, for example, could not possibly have been proposed in 1936. Why then do we take positions, the future of which is unclear—political positions that I personally would not like to adopt?

The Palestinian question is not a pleasant, intellectual exercise in finding solutions and preparing scripts. It is primarily a question about life because it affects the life of every Palestinian individual and it affects human relations between people. These are extremely grave matters. I respect everyone's opinion, but let us leave the future to those who will be living in the future.

[AL-BAYADIR AL-SIYASI] What is your explanation for Israel's intransigence?

[Al-Daqqaq] It is my opinion that Israel is incapable of coming forward with a peace initiative. This is quite clear. Israel hides behind power because it does not have a peace plan. It is too weak to offer a peace plan, and any peace plan it might offer will cause internal problems which Israel cannot solve. Peres, who had announced to his people that he had liberated the land, is now wondering what he will tell them. Can he go back to his people and tell them that this land is occupied land? This is basically one of the reasons why his popularity has plummeted and why he has fallen behind. Peres, who had tried to stall for time, always thought that a solution would come on a table sent down from Heaven. Now, it is clearly obvious to him that the Palestinian people do exist and that stalling or waiting for a divine solution would be useless. Peres is now facing the destiny which he himself forged: "How will I persuade the Jewish people that we must withdraw from the occupied land?" Peres tried to do that in the parliamentary elections and then in local municipal elections, but he failed miserably. Shamir, however, is still offering the same excuses which appease and toy with people's emotions. But Shamir also stirs up more doubts. Very soon the time will come when Shamir will face the same destiny which Peres has faced.

[AL-BAYADIR AL-SIYASI] Despite the national unity which was manifested in the 19th session which was held in Algeria, numerous statements were made by PLO and faction leaders who participated in the meeting. These statements reflect the fact that contradictions still exist. According to a statement by the PFLP a few days ago, 'Arafat's positions and statements have become too cumbersome for national unity. Do you believe that we could see other disputes and divisions on the scene?

[Al-Daqqaq] The 19th session of the PNC affirmed national unity and, at the same time, the democratic nature of that unity. It did not wipe out contradictions which existed previously, and it did not rule out any friction which could emerge in the future. There was Palestinian agreement on certain resolutions, but there was Palestinian opposition to some of these resolutions. This is a normal and civilized thing. The statements we heard these days supporting or opposing PLO positions do not mean the birth of a new conflict. They rather confirm the logic of dialogue and freedom of opinion which Palestinians are very careful about. This freedom of expression is most cherished by Palestinians because they were denied that freedom. For many years Palestinians were denied the right to express their opinions. I do not know if new divisions or new disputes will occur. I do not wish for any of that. On the contrary, I say that any disputes could be settled through democratic dialogue.

[AL-BAYADIR AL-SIYASI] Can we say that the United States was induced to start talking with the PLO by all the political developments which occurred, particularly 'Arafat's passionate address in Geneva and the invariables and new premises he formulated for the PLO? Can we say that all these political developments created divisions within the ranks of Israeli parties in Israel and that all that eventually persuaded the Israelis to recognize the Palestinian people's right to return to their country, to determine their own destiny and to establish an independent Palestinian state?

[Al-Daqqaq] It is indisputable that Palestinian, national resolutions which were issued in Algeria and 'Arafat's address which accompanied those resolutions and moved 'Arafat toward a peaceful solution to the existing conflict have sent shock waves inside Israeli society. This is a fact which must be acknowledged. We are trying to understand what is happening these days. Divisions in Israel are not necessarily occurring only within the parties' ranks, but there are also broad divisions within Israeli society itself which are irrevocable, religious, cultural, and political. And yet, I cannot claim that the Israelis have reached the point at which they fully recognize the Palestinian people's right to return to their country, to determine their destiny, and to establish their independent, Palestinian state. But I can confirm that previous Israeli convictions and positions are shifting. That allows us to assume that the instability of these positions will necessarily lead to the emergence of Israeli activities inside Israeli society which can meet the Palestinian challenge face to face by accepting the invariable rights of the Palestinian people.

[AL-BAYADIR AL-SIYASI] What do you think about the fact that the HAMAS Movement has not joined the unified national command?

[Al-Daqqaq] First of all, HAMAS, as some of its publications indicate, is the new manifestation of the Muslim Brothers which, whether in the occupied land or in the

Arab world, has not given the impression that it is willing to work with other national groups to deal with developing events. We don't need to go into detailed explanations here about HAMAS's position at this stage. That would be up to HAMAS. But mainstream Palestinians will continue to be the ones who are most capable of settling the dispute about the best method of action against the occupation and its aggression against our people.

[AL-BAYADIR AL-SIYASI] What is your explanation for the growth of the Islamic Tendency, a phenomenon which was manifested in the recent local elections. What do you believe are the reasons for this tendency's growth, and what are its effects?

[Al-Daqqaq] In my opinion the growth of the Islamic Tendency among Palestinians in Israel is a phenomenon that does not manifest an Islamic tendency in the strict sense of the term. It is rather a political tendency which is using Islam and people's belief in Islam as one of its tools to achieve its goals. We do not have an Islamic movement that is strictly a religious movement, but we do have movements which use Islam to serve their goals. There may be other explanations for this phenomenon, and I am inclined to believe that such explanations do exist, but I see no need to go into that subject in this fast-paced interview.

[AL-BAYADIR AL-SIYASI] Do you believe that compromises about the idea of municipal elections will be reached? The Palestinian position on Yitzhak Rabin's idea is unequivocal, but Mr Rabin is determined to produce local leaders who will replace PLO leaders.

[Al-Daqqaq] As far as the elections are concerned, two matters must be clarified. There is a difference between the Palestinians' right to hold municipal elections and Rabin's invitation to hold political elections. The municipal elections were prohibited by the Israeli authority itself which dissolved the municipal councils and appointed others which do not represent the citizens' wishes. That measure did and does constitute an attack on citizens' rights in their cities and towns. But the political elections which Rabin is calling for are not consistent with the facts and the situation which Palestinians are experiencing. Palestinians affirm that the PLO is their sole, legitimate representative. As long as there is a representative which is acceptable to the Palestinians themselves, what would be the purpose of conducting elections under Israeli supervision? I am inclined to believe Rabin when he says that he wants to drive a wedge between Palestinians inside the country and Palestinians abroad. He does not want a real, democratic Palestinian opinion to develop.

In my opinion a referendum is more indicative of people's wishes than elections. The uprising is the best kind of referendum. Although the Israeli authority has threatened everyone who considers the PLO the sole,

legitimate representative of the Palestinian people, Palestinians in the occupied land still insist with obstinacy and with pride that their organization is their sole, legitimate representative. Isn't such an answer enough for Rabin?

[AL-BAYADIR AL-SIYASI] How would you evaluate the step that was taken by Arab countries to establish the Arab Cooperation Council? Do you think this council will deal with economic matters which, on the one hand, would serve council participants? On the other hand, why didn't Syria join that group?

[Al-Daqqaq] I hope the council will be for the good of the Arabs although the nature of the organization as I see it, makes me apprehensive about the ongoing idea of an Arab grouping and the Arab dream of comprehensive Arab unity. The Arab Cooperation Council is not only an economic council, but it is also, as Iraq's minister of foreign affairs indicated, a political council. In this case we do have the right to worry about the establishment of well arranged Arab alliances at a time when we are striving to establish an understanding among the confrontation countries.

The exclusion of Syria may be explained as part of that council's political character.

[AL-BAYADIR AL-SIYASI] Given all the political changes which have been mentioned, does the need to convene a regular Arab summit meeting to formulate a clear and a united policy have any importance now in your judgment? Is such a meeting necessary in your judgement, when it can be noticed that Saudi Arabia, the host country for that meeting, is in no hurry to convene such a summit?

[Al-Daqqaq] I believe that it is actually essential as well as important to convene an Arab summit meeting, especially given the uprising in the wake of current Palestinian action. I do not know if Saudi Arabia is or is not enthusiastic about convening this summit, but in the past emergency summit meetings were held instead of regular summit meetings. I wish with all my heart that the difficulties in convening such a summit meeting can be overcome so that Arab countries can be brought to face their responsibilities squarely.

[AL-BAYADIR AL-SIYASI] Is it your point of view that Arab unity has no future? Do you think it will continue to be an unfounded illusion, even if Israel were eliminated, as James Bell and Karl Leiden, two American scholars and specialists in Middle East affairs, say?

[Al-Daqqaq] Al-Daqqaq's strong emotion was closer to anger as he said, "The establishment of Arab unity is a process that is willed by Arabs. If there are common grounds between those who wish for this unity, Arab unity will be established. Talking about 'eliminating Israel' is not necessary. Arab unity has absolutely nothing to do with that. What is there to prevent Syria and

Iraq, for example, or Jordan and Syria from forming a federation? What can prevent the establishment of Arab federations instead of Arab councils? What is there to prevent the establishment of a federation of Arab states? There is nothing at all to prevent that. On the contrary, there are reasons for agreement and close unity. I am not saying that these countries' regimes would cease to exist, but I am saying there is ample room for political and economic integration. The delay of Arab unity reflects the fact that the regimes in question do not wish to establish such a unity.

[AL-BAYADIR AL-SIYASI] President Hafiz al-Asad's visit to the Kingdom of Saudi Arabia after an absence of 6 years was considered a step that served the welfare of Arab solidarity and restored proper relations among the countries of the Arab world. What do you think about that?

[Al-Daqqaq] I believe that Syria's major concern at the present time is the question of Lebanon, and Saudi Arabia's position in the Arab world is such that it affects and is affected by Arab action. Saudi Arabia affects Arab action in the Arab world, and it even affects action on the international level. The conflict in Lebanon is not one between Lebanese groups; it is an Arab-Israeli conflict, an intra-Arab conflict, and an Arab-international conflict. That is undeniable. That is why the meeting between President Hafiz al-Asad and King Fahd had to touch upon this subject in particular. But the two men must have also talked about other subjects that I do not know about.

[AL-BAYADIR AL-SIYASI] It is being said that Syria is living in a state of political isolation. It is obvious to any observer that such a statement is belied by Syria's strategic location in the area and by its position in the Arab-Israeli conflict. What would you say about Syria's position and its clout in the Arab and international communities?

[Al-Daqqaq] It is true that Syria has real problems in Lebanon. In many cases it finds itself at odds with the PLO and with certain Lebanese groups. Syria is clearly concerned about a solution to the Lebanese problem. At the very least, it wants Lebanon to have a government that is not hostile to Syria because a hostile government could be a threat to Syria's security. It could actually prevent Syria from becoming actively involved in what is happening in the Middle East. It is certain, I believe, that there can be no solution to the Arab-Israeli conflict in the absence of a Syrian role. I agree completely that Syria is strategically located in a position from which it can either support or impede the peace process.

[AL-BAYADIR AL-SIYASI] The five-member Arab committee, which was formed after Egypt signed the Camp David Accords, has returned and has resumed its usual activities in the area. Should that make us optimistic about the restoration of relations between Syria and the PLO?

[Al-Daqqaq] This is the proposal that Shevardnadze talked about during his recent visit to Cairo. It was also repeated by Yasir 'Arafat. In my judgment this is a very important committee because it constitutes the organization of the confrontation countries against Israel. This committee will help solve existing problems between the PLO and Syria, and it will help restore Arab relations to a situation from which they can be more effective throughout the Middle East area. I hope there will be no Arab or foreign interventions to prevent this committee from performing its responsible role.

[AL-BAYADIR AL-SIYASI] How do you explain Jordan's and Syria's rejection of Yasir 'Arafat's request to convene a mini-summit meeting for the confrontation countries so they can formulate a specific position on the international conference?

[Al-Daqqaq] This makes it very evident that opposition to such a meeting is not Jordanian or Syrian—and such opposition need not necessarily be Jordanian or Syrian. Opposition to such a meeting is Arab. This opposition is putting pressure on Jordan in particular to make it hesitate to accept this invitation. Although it approved such a mini-summit, according to Mr Yasir 'Arafat, Syria is still more inclined than before to work on solving its problems with Egypt. There are indications which show that Syria is leaning in that direction, but it seems that it is the Iraqi position in particular which is causing the main problem in holding a committee meeting.

[AL-BAYADIR AL-SIYASI] After King Husayn decided to break legal and administrative ties with the West Bank, he made limited changes in his cabinet. What are the hidden reasons behind that decision, especially those which have to do with the absence of Tahir al-Misri from the cabinet? Mr al-Misri used to hold the Ministry of Foreign Affairs' portfolio.

[Al-Daqqaq] The truth is this: I do not know precisely what were the immediate reasons for that decision, but I believe that as a result of that cabinet shuffle, power became more concentrated in the hands of the "Jordanian political kitchen."

[AL-BAYADIR AL-SIYASI] The Taba problem and the solution which was reached to settle it indicate Israel's stubborn insistence on holding on to the land. Don't they also indicate that Israel is fighting peace?

[Al-Daqqaq] I believe that the method which Israel followed to solve the problem in Taba was a modest display to the whole world of what Israel intends to do during the next peace process. This was not a problem of a few meters. In Taba Israel had to prove the point that it will not come out of all this with nothing to show for it. Israel was clearly badgering Egypt, and pressure was applied to Egypt from people in high positions in the United States. Egypt's compliance cannot be ignored.

[AL-BAYADIR AL-SIYASI] The economic situation in the occupied areas is extraordinary. As an economist, do you think the existing situation is the only reason for this crisis, or are there other reasons and other hidden factors involved?

[Al-Daqqaq] The economic situation is getting worse, not only in the occupied areas, but also in Israel, Jordan, and Syria. In other words, the economy is getting worse in all the areas of the conflict. This means that the conflict in itself is the main reason why the economic crisis has spread so pervasively and forcefully throughout this area in particular. It is clear that the crisis has spread throughout the area at the same time. That is why the appeal for a solution to the existing conflict is justified because a solution to the conflict will solve the economic problems from which innocent people are suffering.

[AL-BAYADIR AL-SIYASI] Aharon Wofrat, an Israeli economist and director of the Kelal Company, admitted that "Without peace, Israel will have no economy to speak of. That is why I support Israel's withdrawal from the occupied land. Holding on to this land has a destructive effect on the economy." What do you think about this statement which no longer sees the West Bank and the Gaza Strip as the goose that laid the golden egg for Israel? Instead, these areas are seen as areas causing Israel's devastation and destruction.

[Al-Daqqaq] I agree with that. It is quite true. Israel can never build a fruitful economy that is not subordinate unless it really sees that its economic future is tied to the economic future of the area in which it lives, rather than the future of the United States. The reason for that is clear. Natural resources in this area are held in common. The significance of that fact cannot be minimized. Water, for example, comes from common sources. It travels in one place and flows into a fourth or a fifth place. Israel must, therefore, see itself as part of the Middle East area, not an extension of the United States in the heart of the Arab world.

[AL-BAYADIR AL-SIYASI] Of all the concessions which Israel has been trying to get, giving up Jerusalem as the capital of the Palestinian state is the concession which Israel has been trying to get from the PLO. Israel is asking for that concession even though the PLO agreed that Israelis would keep West Jerusalem and Palestinians would keep East Jerusalem. What do you have to say about that? In your opinion, why is Israel so determined about this point, and what is the reason for the Israelis' extraordinary interest in Jerusalem?

[Al-Daqqaq] As far as Jerusalem is concerned, this is land that was occupied in 1967. All UN resolutions and international positions demand that Israel withdraw from the occupied land. Jerusalem can never be considered outside this framework even though no one, not

even the United States, has recognized Israel's annexation of Jerusalem. As to why Israel insists on considering Jerusalem a part of Israel, the reasons are most likely religious. Israel may also want to prevent easy geographical contact between the northern and southern parts of the West Bank.

[AL-BAYADIR AL-SIYASI] In answering a question from Roland Dumas, France's minister of foreign affairs, about whether or not he intended to visit the fraternal country of Lebanon, Mr Chedli al-Klibi affirmed that the Arab League would deal only with a united Lebanon. Do you believe that the Arab League is doing what it should be doing about the worsening crisis in Lebanon in particular and about the crisis in the Middle East in general?

[Al-Daqqaq] Regarding the Arab League's role on the question of Lebanon, I believe that real Arab efforts are being made to solve the Lebanese problem. There are indications which show that relative success has been achieved in that attempt. There is still hope, however, that a greater effort will be made and a higher degree of flexibility will be used in dealing with the issues which must still be dealt with.

Regarding the crisis in the Middle East, the Arab contribution in that area has been timid. It has remained unchanged since the onset of the oil crisis when the stronger pull exerted by each country's interests took precedence over national interests. And yet, the effects and repercussions of the Arab-Israeli conflict are casting a heavy shadow on the future of the other Arab countries. The Arab countries are interested in stability for their own reasons, but stability cannot be achieved as long as the current conflict continues.

[AL-BAYADIR AL-SIYASI] As we approach the end of this interview, can we say that a solution in the area is imminent?

[Al-Daqqaq] I believe there will be a solution, but I cannot affirm that it is imminent. It is a good sign, however, that action is being taken and that this action is growing. The Middle East area is clearly at a crossroads. It can either take the route of total destruction, God forbid, and this is something which the Palestinian people would not permit and the international community would not accept; or it can take the route to peace which responds to the legitimate and invariable rights of the parties in question. The road to peace will ensure peace and stability.

ALGERIA

Constitutional Council Member Explains Functions, Duties

45190054a Algiers ALGERIE ACTUALITE in French
16-22 Mar 89 p 17

[Interview with M.A. Bekhechi by Ammar Abbas; date and place not given]

[Text] [ALGERIE ACTUALITE] What is a constitutional council?

[Bekhechi] It is a body which has as its principal function ensuring that all of the national institutions respect the Constitution. There are other tasks assigned to it by the Constitution, including the supervision of political life and the regular functioning of electoral operations. It must rule in disputes concerning the constitutionality of laws, regulations, international treaties, and the internal bylaws of the APN [National People's Assembly]. And finally, it can be consulted on proposed constitutional amendments.

[ALGERIE ACTUALITE] What tools does it have to ensure implementation of its decisions?

[Bekhechi] It has juridical resources, first of all, contained in the Constitution, which guarantee its independence with regard to the institutions involved in the functioning of the state. And then, at the time of his inauguration, and from a symbolic and material point of view, the president of the Republic stressed the idea that the Council should be provided with operational conditions which will ensure its real capacity to act independently.

[ALGERIE ACTUALITE] Real independence?

[Bekhechi] The conditions for independence (the members of the Constitutional Council are relieved of all other duties, precisely so that they can be protected from any authority) depend on these factors, but they also depend on the state of mind of the members of the Council. And I believe that the conditions which governed their appointment were characterized by a great deal of calm, and should allow them to hone their authority and their independence very quickly. I am not in a good position to pass judgment on the members, but all of my discussions with the president of the Republic at the time of our installation in government showed, in fact, that as the guarantor of his Constitution, and the Council, as the body in charge of ensuring respect for it, are well and truly agreed to remain faithful to the popular will, and thus to the spirit and the letter of the Constitution.

[ALGERIE ACTUALITE] How would consultation of the Council, if such should occur, function?

[Bekhechi] For the time being, the Constitutional Council cannot be consulted except by the president of the Republic, who, it must be remembered, holds a popular mandate, and the president of the APN, who for his part, acts on behalf of the elected representatives of the people. This already provides, I believe, two ways of initiating constitutional debate within the Council, consistent with the state of the political society.

[ALGERIE ACTUALITE] Since the Constitution stands above ordinary law, is there any likelihood that an unconstitutional law will be approved in the future?

[Bekhechi] It must be remembered, first of all, that the Constitution is the basic and supreme norm for the national juridical system. During the debate on the constitutional revision initiated by the president, he insisted that the Constitution should be a compilation of specific juridical principles, that it be a law in the strictest sense of the term, and not a complex of juridical-political principles whose outlines might lend themselves to many interpretations (what is commonly called a program constitution). With regard to the constitutionality of laws in the future, the fact that the Constitution is more precise now, and the existence of the Constitutional Council, will play a dissuasive and preventive role. For example, those drafting laws will see to it that they are clearly consistent with the Constitution, because they know that otherwise there will be a double sanction—political (the rules of the democratic game will allow popular debate) and juridical (since application can be made to the Constitutional Council, which can impose sanctions in accordance with its prerogatives). And here, we must insist on the concept that the Constitutional Council functions as a court jurisdiction. In other words, it hands down legal judgments, and its decisions will have the authority of *res judicata*.

[ALGERIE ACTUALITE] The Constitutional Council, then, can act in both directions—to prevent and to penalize.

[Bekhechi] In reality, these functions are not exclusive. The two tasks must go hand in hand. For the time being, we know that preventive action cannot be carried out with constitutional norms which could lend themselves to very, very broad interpretations. Ruling on the unconstitutionality of a law in relation to a program norm has very often been a perilous task. It is here that the concept of constitution-law shows its real superiority, in that it indicates clearly up the line what is allowable and what is less allowable or not allowable at all, and, down the line, it provides the penalty for violation. In our Constitution, the two authorities may have recourse to the Constitutional Council both prior to the approval of a law and afterward. In the former case, this will sometimes avoid having a law debated and approved uselessly. But if this should occur, there will always be the sanction of revocation. I would say parenthetically, with regard to international treaties, which may also be the subject of constitutionalist control, that if one of them is seen to be inconsistent with the dictates of the Constitution, it can in no case be ratified. This position, you will realize, will also lead Algerian diplomats to familiarize themselves to the greatest possible degree with the contents of our Constitution, prior to any negotiations.

[ALGERIE ACTUALITE] You have the right of censure, then?

[Bekhechi] It exists.... It is established by the Constitution. The law exists.

[ALGERIE ACTUALITE] How does the Council act when it encounters constitutional vagueness?

[Bekhechi] Here the Council must play its "Ijtihad" role, and it will allow certain traditional principles which have imbued our political and social life to be brought forward. In a word, it must contribute to ruling on the future existence of constitutional customs. On the other hand, the citizen of Algeria must nonetheless be able to make use of and benefit from the sum of the basic postulates and principles prevailing in any system of democratic life. And in the event of any nebulous aspect in the norms, the Constitutional Council will have to set forth its postulates and principles. It must never, in a word, abandon the precise study of our national constitutional history, so that it can make the spirit of our Constitution as consistent as it can be.

[ALGERIE ACTUALITE] In cases of unconstitutionality, does the citizen have the resource of applying to the Council?

[Bekhechi] For the time being, the citizen does not yet have this prerogative. I might mention, by way of example, a neighboring nation (editor's note—France) which has had a Constitutional Council for 30 years now, and it has never granted the citizen this right. On the other hand, I believe that the citizens have other means of expressing their reservations about the constitutionality of a law. And I hope that this will serve as a signal which will lead the president of the Republic, or the president of the APN, to have recourse to the Council.

[ALGERIE ACTUALITE] If we proceed toward a more open democracy, this presumes that there will necessarily be viewpoints for which the Constitution does not provide. I am speaking in particular of political parties.

[Bekhechi] Yes, I believe that the existence of the Constitutional Council is also a very substantial guarantee for civilian society, since it is governed by a political society which often tends to forget that it acts only thanks to a mandate. The opening up of our country to democratic life and the extension of the range of freedoms will certainly have the effect of strengthening the state of law. The associations which take responsibility for the expression of public opinion will contribute to this, and will certainly force an advance toward greater respect for political freedom. This freedom, I would remind you, only exists when no body abuses power. The constitutional structure approved by the people in February simultaneously postulates all of this.

Algiers Dock Workers Confront Union
45190050b Algiers ALGERIE ACTUALITE in French
16-22 Feb 89 p 13

[Article by Malika Abdelaziz: "Trade Union Renovation: The Kick-Off"; first paragraph is ALGERIE ACTUALITE introduction]

[Text] In 1977 the dock workers of Algiers were a driving force behind the ephemeral democratization that led to

the Fifth Congress of the UGTA [General Union of Algerian Workers]. What will be the impact of their current struggles?

"The UGTA is dead, long live the UGTA!" The dikes have given way under pressure from the breakers slamming in from the port of Algiers. Up to now they had held fast against the efforts of the workers to create a trade union that would really be their own. You had to hear the joyous clamor of the stevedores, the stowers, the crane operators, the clerks, the professionals and technicians in EPAL [Algiers Port Agency], to understand the depth of their commitment to the battle for the democratic renovation of their ATU/ATE [Plant Workers' Assembly/Enterprise Workers' Assembly]. It was an event of national importance, and they knew it. As they stood to applaud their 25 elected representatives when they were at last officially installed by the Trade Union Confederation, the port workers were both actors and spectators at the birth of a new era for trade unionism.

The UGTA, as the institutional embodiment of trade unionism, had just ratified freedom of organization, freedom of choice for the workers, after a great deal of evasion, resistance, and equivocation. It took its own sweet time—some 30 years—to get to 8 February 1989, when the rank and file finally reappropriated their trade union, at least at the local level. And to judge by the intensity of the trade union representation battles under way almost everywhere in the country, it is not too risky to predict that EPAL's experience will serve as an example for others. Of course, the political and social context worked to its advantage. The FLN [National Liberation Front], at the conclusion of its Sixth Congress, had reorganized as an autonomous entity, in accordance with the political reforms that had been announced. In the workplace there was mounting opposition to the institutional procedures established to protect the secrecy behind which the candidacy committees performed their political alchemy—and particularly strong opposition to former Articles 120/121 of the by-laws of the former FLN Party. The last National Council of the UGTA, held in January, realized that sooner or later it would be necessary to give the organization back to the workers. Not all the participants were ready to do so. But even if they had been, the national council did not have authority under the by-laws to rescind actions that were the prerogative of a party congress. So it made do with half-measures. A reorganization of the composition of the candidacy committees, since the FLN no longer had to have a seat. Reconsideration of the candidate slate, which was formerly a single list but would now be ternary. The reins had been loosened somewhat, but trade union officials still kept for themselves the right to select from the lists submitted the individuals on whom the workers would actually get to vote.

Since December 1987 the workers at the port of Algiers have sent hundreds of delegations to the trade union confederation to reiterate their ceaseless demands for a

truly representative trade union. On 15 November 1988 a monstrously large AG [General Assembly] was held—attendance was estimated at 4,000 of EPAL's 4,500 members—at which the process of establishing such a union got under way. No, in truth, the workers that day did not spend time talking about their many social problems. What they wanted was "increased production," "democratization of port administration," and an instrument that would allow them to "run their own affairs." They demanded the immediate dissolution of the incumbent ATU, its replacement by a provisional trade union committee, which would act in accordance with the broad guidelines which they themselves set at the same time. The two national secretaries present yielded to the workers' demands. But a communique was given to the press, which the previous day had announced the dissolution of the AT [Workers' Assembly]. On behalf of the National Secretariat of the UGTA, the communique denied the published story. What confusion that must have provoked! The rumor was even going around that the port workers had gone on strike. The rumor was a distortion of the facts. In reality, the workers were the victims of a provocation which its authors hoped would trigger a strike or at least induce the workers to agree to a kind of trade-off: "Why are you opposing only the ATU and not the management?" one member of the UGTA National Secretariat demanded of the new delegation which was haunting the corridors of confederation headquarters in an effort to get its hands on the official minutes of the meeting which had approved establishment of the provisional trade union committee that had been democratically elected on 16 November to represent the respective harbors and workplaces. Further down in the trade union hierarchy, other voices were intoning the same refrain. To no avail, boast workers interviewed in the foyer of the dock workers' hall. They wasted no time either on the attempt to link dissolution of the ATU to the resignation of the general manager. First of all, because it was only one of the provocations employed over the last 4 months to anger them, goad them into a strike, and in the resulting confusion prolong the survival of the discredited ATU. Second, because management—along with the Ministry of Transport—had "played the game," by extending recognition to the provisional trade union committee even before the trade union officials. Similarly, it gave its support, as indicated in the provisions of the CSE [expansion unknown], for the process of reorganizing the AT. And finally because what the workers were challenging was not so much individuals as the methods of management. Moreover, one of the goals established by the new assembly was to call on "high-level management and all managerial personnel to engage in dialogue, to show their trust in the workers, to be receptive to their problems and grievances; to put an end to arbitrary action and to the authoritarian, bureaucratic style of management; to work together with labor on management and production problems; and to consult constantly with the workers to get their opinions on how to resolve them." Such a dialogue is impossible without a trade union that can mobilize the workers and make its

weight felt. Such a trade union is impossible without that minimum of democracy and autonomy represented by the open list and its corollary, outright elimination of those candidacy committees—partly composed of individuals outside the workplace—who claim to know, better than the workers themselves, what people are best suited to defend and represent them.

At the port, then, there was no candidacy committee, but rather a simple technical committee responsible for making logistical preparations for the elections. Note: a technical committee, distinct from the provisional trade union committee. At the same time, this latter was investigating the urgent social problems [of union members] and proposed to the general assemblies at the respective workplaces an action plan for the future ATU/ATE. In a tract handed out on 8 February 1989, several hours after the official installation of the newly elected Assembly, the Communal Union of Central Algiers tried to argue that there were election irregularities. But neither the Communal Union, the Territorial Union, nor the Wilaya Union of Algiers could provide any evidence, because—despite requests and appeals by the EPAL workers—they had refused to help organize them. But that was no problem: the workers fell back on their own resources. The technical committee, composed of 28 elected members and 3 representatives from the top level of management, identified the homogenous work cells, held the general assemblies for nomination of candidates, prepared the computerized lists of voter collectives, printed ballots and posters with photographs of the candidates, designed the record-keeping forms for vote-counting, etc. From start to finish, the workers were involved in these preparations. The criteria for eligibility were established in general assembly: minimum age 21, minimum of 6 months employment at the port, no authority to hire or discharge, possession of a valid union card. In order that everyone should be able to satisfy this last requirement, the provisional trade union committee procured from other enterprises the materials needed for a large-scale unionization operation.

The result was submission of 135 candidates—including 6 former members of the dissolved assembly—to the will of the electorate at voting stations set up in the port, divided among the 15 homogenous work cells. The votes were counted at the stations. "For the first time, the ballot boxes were not moved," said one veteran stevedore on the verge of retirement. More than 1,000 people observed the vote-counting. Over and above these precautions, the technical committee undertook further verification measures: "RAS" [expansion unknown]. The ATU/ATE elected on 15 January was "duly" elected. And in fact it was the first time this had happened, say workers who were interviewed. It was also the first time in the history of the port that a workers' assembly was elected on a platform that was debated and unanimously adopted. The newly elected deputy put special emphasis on this point, explaining that democracy "is more than just the open list." Still, it seemed almost to eclipse everything else, since the open list was

to such a great—indeed overwhelming—extent the issue at stake in the showdown over recognition of the AT voted in by 68.10 percent of all the workers in the port of Algiers. The open list, and something else that made for much gnashing of teeth: the presence among the elected deputies of veteran trade union militants who not so long ago were victims of repression and blacklisted.

The official installation of EPAL's ATU/ATE, originally scheduled for 7 February, was postponed 24 hours, a fact which in itself spoke volumes about the behind-the-scenes pressures put on the authorities, including the "wilaya committee on election validations." From the podium came word that the latter had apparently not yet "completed its work." As one man the 200 unionists in the hall denounced the maneuver. EPAL's technical committee and the transport ministry official in charge of the UGTA division told the workers they were convinced that the national secretariat would recognize their deputies the following day. The meeting on 8 February was even more heavily attended, and there was tension in the air. Workers were ready to go into battle to obtain their due: "Perhaps there are some people who failed to understand the fact that we agreed to the delay. This was because we want to be in the UGTA, not in any other trade union organization. We are addressing our demands to the UGTA. It must ratify the open list, and accept the method of selection adopted at the port."

The silence in the room was so thick you could cut it with a knife when Mr Latreche, national secretary for the GSE [Socialist Management of Businesses], called out the names of the 25 deputies. On behalf of the National Secretariat of the UGTA he declared them officially installed: "You now face difficult responsibilities. It is up to you, by your actions, to defend the material rights of the workers, protect the interests of the enterprise, promote and maintain unity in the ranks of the workers. When the workers take one position and the deputies take another, the public interest is poorly served (...). We must help each other, even if we have our differences." The applause died down so people could hear the voice of the new president of EPAL's ATU/ATE. He called on the union activists and the ministry to continue the convergent efforts they have been making to solve the problems at hand. He reminded the workers of their responsibilities: "The action plan joins us together, unites us. We have rejected a trade union that served to promote the interests of a few, that served to dispense automobiles, housing (...). Whoever represents the workers shoulders a heavy responsibility. But it is not just the responsibility of the 25 deputies. If you determine that some of us are slackers, throw out the miscreants and replace them!" Then, pointing up to the platform directly at Ait Abdelmalek, the UGTA national secretary for social affairs, who had accompanied Latreche to the ceremony, he said: "Those two over there, Latreche and Ait Abdelmalek, we salute them, for since 15 November they have been with us, they have toiled alongside us. We will not forget them." And the hall agreed; as one man the workers sang out in affirmation: "He, kain menha!" [translation unknown]

Muslim Student Group at Annaba University Criticized

45190054b Algiers ALGERIE ACTUALITE in French
16-22 Mar 89 p 18

[Article by Amar Zentar: "The Students Have Understood Nothing About Islam"]

[Excerpt] If Islam was the first religion to liberate women, the Muslims will apparently not be the last to challenge that choice. Even at the university.

Early in March, the various student political movements which are now carrying out their activities openly thanks to the new political deal began to be agitated, and the most enterprising—not necessarily the most brilliant, however—even went into action. A petition was circulated, clearly setting forth the plans of its authors. They are appealing to the student community to say yes or no to, to agree to or reject mixed enrollment at the university. My God, there are those of us who believed, naively perhaps, that the university has always been the compost, the fertile humus nurturing high ideals, and an openness of mind automatically informing us about the vitality of an institution which is supposed to be resolutely devoted to the constant elevation of our national thinking and—why not—universal thought. But as it happened that Women's Day was to be celebrated the day after 7 March, tension reached its peak. Since then, there has been no need to leave Sidi-Amar to comprehend the consequences. The masks were stripped away.

It is now known that the small group which is using Islam as its shield to make the pill easier to swallow wants to put an end to mixed enrollment entirely. And to do so, any means will be used including, unfortunately, those which Islam itself, the religion of tolerance par excellence, rejects. And so this led to barring girls from the student restaurant (how brave!) on the false pretext of "purifying the surroundings," and then aggressive steps, and even more. Worse. for 4 days running the students will have no right to their daily meal. And foreign students at the university will also be utilized to fan the flames. The majority of the students gave us their impressions, and they, of course violently reject this type of behavior. They said that it "could not in any way find justification in the precepts of Islam, which very obviously dictate a nobler, worthier, and in short, more responsible attitude." For pity's sake then, let us spare Islam all of those things of which the West cynically accuses it. For what we have seen in Sidi-Amar does no honor at all to the student community. What, in fact, can we say about these obscenities, these insanities uttered against an authority (a pious one, on top of that), in this instance the governor of Annaba, who escaped attack by some quite simply because he came not as a messiah but simply "as an agent of the state responsible for passing on the position of the hierarchy, and nothing more."

In other words, if no legal text is promulgated to prohibit coeducation, it will in no way be among the prerogatives of this student fringe, which does not represent the majority by a long shot, to utilize dilatory and pernicious maneuvers in an effort to take the place of the institutions and individuals qualified within this new constitutional framework to legislate. And we know that the Constitution was almost unanimously approved by the Algerian people, whom each movement is now trying to win back for purposes which are not always acceptable. In any case, "The University of Annaba, an integral part of the national territory, cannot therefore aspire to become an autonomous republic outside the regulatory structure which governs social relations."

In truth, we were truly disappointed by the level of the student demands and their absolutely confused nature. In fact—and this happened with practically all of the local press present—the "delegates" of the students utilized the extensive period of time made available to them by the governor and the rectorate (2 whole hours) to demonstrate their veritable incapacity to convince the audience, which was nonetheless attentive to the character and nature of their demands. It was made vaguely evident that it was a question of a problem of lines, of sandwiches. If that was all... But why, if this was the case, stir up the whole neighborhood for so little? Well, no, that wasn't it. Our presumed elite wanted quite simply to establish a male dictatorship and to degrade our sisters and reduce them to the level of beasts of burden. And is it not true that for all of this, they are using the defense of Islam as their cover? Can it be, then, that thinking in the 20th century is so backward, and, more tragic still, in the higher spheres of knowledge? Can it be that Islam has in the end been poorly understood by those very people who claim mastery of it down to the smallest nuance? Unfortunately, the apartheid decreed in Sidi-Amar by a handful of lost souls who have every reason to re-read the Koran lacks any foundation in the very quintessence of the religion of the Prophet. [passage omitted]

BAHRAIN

Government's New 5-Year Job Plan Reported 44000436d Manama AL-HAYAH AL-TIJARIYAH in Arabic and English Feb 89 p 7

[Text] Private entrepreneurs and managers of commercial establishments will be obliged to offer job opportunities for Bahraini nationals if a new five year plan currently under discussion is implemented.

The Plan is stated to be comprehensive, accounting for all types of contingencies and is different from the existing programmes for 'Bahrainization' including the 'The 10,000 Job Plan' introduced about nine years ago. Official sources stated that the new plan would envisage training of nationals in various fields of economic,

commercial and industrial activity so that the employers of the private sector would not 'quote inexperience as an excuse' for staying out of such programmes.

Although the efforts concerted by the Ministry of Labour and Social Affairs in ensuring job opportunities for nationals in the private sector through various measures have been vigorous, it is understood that several small and medium sized enterprises plead their inability to train new employees due to lack of adequate inhouse facilities and finance. They have also expressed their desire to employ Bahraini nationals provided that they are properly oriented towards the economy and the market conditions, show enterprise and are hard working. The progress registered by large organizations in this connection cannot be compared and government assistance is imperative for small organizations, they said.

In view of these difficulties, the Directorate of Labour is now set to introduce a scheme which will consider each of the organizations in the private sector on a 'one off' basis. A report appearing in AKHBAR AL-KHALIJ, speculated that the Directorate would set targets for the companies depending on their size, nature of business, availability of local manpower with the requisite qualifications and experience and other socioeconomic factors. Depending on a detailed study, the percentage of Bahraini nationals to be employed in the company concerned would vary, the report said.

"It is also understood that following such an exercise, the Directorate will select Bahraini nationals required by an individual company and sponsor them for an intensive training programme to enhance their qualifications and competence. The programme is expected to be conducted jointly by the Ministry and the Bahrain Petroleum Company (Bapco), whose competence in the field has been widely acknowledged. Companies of the private sector will have no further choice than to accept candidates who successfully complete these courses and are certified as such. This is considered to be an effective method," the publication said. While senior businessmen were happy to acknowledge their appreciation of the new scheme being considered, experts were of the view that the efforts of the government should be matched by the willingness of Bahraini nationals to take up jobs that are offered. Officials of the Ministry are often confronted with young men and women who turn down jobs which are not 'up to their liking'. "Many of today's youth seem to have preconceived notions about their jobs. They prefer a career with the Government or in an organization which does not have split hour timings. It is a paradox that a number of opportunities exist (in private establishments) as against several persons registered as unemployed with the Directorate. Candidates recommended for jobs often discontinue after a short while disrupting the schedule of the employers concerned. There is a need for a change in the attitude of those seeking jobs," the experts said.

An expert of the International Labour Organization (ILO) who was here recently had recommended a series of measures to motivate Bahraini nationals to start small business enterprises as a positive measure to remove the existing shortcomings in the employment market on the one hand and promote growth on the other.

Increase of Dependency on Gulf Oil Reviewed
44000436b Manama AL-HAYAH AL-TIJARIYAH in Arabic and English Feb 89 p 13

[Text] The structural changes that are being effected in the world economy and the strategic policies followed by the Oil Producing and Exporting Countries (OPEC) will witness a growing dependency on the Gulf States for oil supply in the ensuing decade.

These views form the core of an analysis of Dr. Henry 'Azzam, Vice President and Head of the Economic Unit of the Gulf International Bank in his major study entitled 'The World Oil Market: A View From the Gulf'. According to him a series of factors would foster the world's dependency on the oil supplied by OPEC reflecting positively in turn on the Gulf which accounts for a substantial percentage of the excess capacity. "This dependence is further fostered by other structural changes that have been taking place in the world oil market. The move downstream by major oil producers either through building domestic refineries or by acquiring refining and marketing outlets in the oil consuming countries is a prime example," he said.

Based on a few geo-political and strategic economic developments that have been witnessed in recent months such as the return of Iraq to the quota system and the OPEC ceiling of 18.5 million barrels per day (mb/d). Dr. 'Azzam predicted a few factors to emerge during the first half of 1989. They include (a) Ease of the over supply conditions; (b) Firming up of process from a low level of \$10 per barrel but not beyond \$15; (c) Decline in the share of the non-OPEC countries against a scenario of rise in world demand; (d) a corresponding rise in the OPEC share from 70 percent in the mid 90s to reach 95 percent by the turn of the century.

In view of these evolving trends and the expected peak in demand, he has offered a number of suggestions from the point of view of economic forces operating in the market. "The long term strategy of the Gulf producers is to make sure that a greater and increasing market share would eventually be captured by countries endowed with the largest oil reserves and which have by far the lowest cost of production. This may not be attained unless OPEC abandons its role as the residual oil producer, continuously on the defence, compelled to raise or lower production to balance the world market and keep prices steady. Instead a more pragmatic production policy is needed whereby OPEC produces a fixed volume which would increase from time to time in line with world demand aiming eventually for a price target but allowing the market to set actual prices," he said.

Notwithstanding the forecast of the following decade, what are the prospects for the oil sector during the current year? Dr. 'Azzam has provided a few clauses based on the premise that the prices until the end of March 1989 will be low enough to trigger an upward movement in demand. "Even the inclusion of such demand responses may not be sufficient to boost the demand for OPEC oil during the first quarter to the 18.5 mb/d agreed by the OPEC. For 1989 as a whole, worldwide oil demand is projected to increase by around 2 percent continuing the trend set in 1988 and 1987. World demand next year is projected to be around 50.7 mb/d compared to 49.7 mb/d in 1988 and 48.6 mb/d in 1987. Crude oil demand in the first quarter is estimated at 5.7 mb/d including additional consumption triggered by recent oil price weakness," he said and estimated the demand for OPEC oil at an average figure of 19.3 mb/d.

Dr. 'Azzam's argument that the demand for oil would register an upward trend in the early 1990 and provide a further fillip to the supply from the Gulf has been substantiated by a statistical analysis. According to him, out of an estimated capacity of 36.9 mb/d within the OPEC in 1992, Saudi Arabia, Kuwait, Qatar and the UAE [United Arab Emirates] (the four GCC [Gulf Corporation Council] states) alone would account for 17.6 mb/d, representing about 49 percent of the total. With the inclusion of Iran, Iraq and the Neutral Zone, the share of the region is expected to move up to almost 75 percent (26.9 mb/d). Total non-OPEC supply on the other hand has been projected to fall from 29.6 mb/d in 1989 to 28.4 mb/d in 1992 and 24.2 mb/d by the turn of the century, providing for a large role for the OPEC.

Stability in State's Economic Growth Discussed
44000436c Manama AL-HAYAH AL-TIJARIYAH in Arabic and English Feb 89 p 14

[Text] Bahrain's economy maintained stability in growth and registered an overall satisfactory performance in 1987 with a number of favourable factors including a negative rate of inflation, according to the country's Central Bank, the Bahrain Monetary Agency (BMA).

In its fourteenth annual report published recently, 'Abdallah Hasan Sayf, Governor of the Agency has also highlighted the trends in the world economy, which should be held in perspective while assessing the performance of Bahrain. "Total world output showed an increase of 3 percent in 1987 as against 2.75 percent in 1986. Gross National Product in the seven largest industrial countries grew by 3 percent. For the developing countries, the growth of output in 1987 was almost the same as the previous year, especially for non-oil exporting countries whereas the oil exporting countries stagnated due to the adjustment necessitated by declining export earnings," he said in his foreword to the report.

Stating that the economy of Bahrain continued to sustain stable growth, he said that the performance of the banking sector was even more pronounced. The total

assets of commercial banks (excluding contra items) reached BD1,621 million, accounting for a 4.4 percent rise over the previous year's figure of BD1,552.1 million. Offshore Banking Units (OBUs), however, recorded a higher rate of growth (14 percent) with their total assets placed at \$63.5 billion (about BD24 billion) as on December 31, 1987 as against a figure of \$55.7 billion (about BD21 billion) noted during the previous year.

An analysis of the various segments of the economy indicates the efforts exercised by the government to augment growth against a scenario of falling oil and natural gas production, offset to a large extent by increase in activities in other areas. Bahrain's oil fields pumped an average of 41,000 barrels per day to provide a total of 15.2 million barrels for the year, about 1.9 percent less than the previous year's figure of 15.5 million barrels. Gas production was placed at 251.3 billion cubic feet, dropping from 256.3 billion cubic feet (or 2 percent) registered in 1986. Economists are of the view that the decline in the revenues from the oil sector, although triggered by the depressing price levels in the international products (crude and gas products such as butane, propane and naptha) can have a desirable effect on the economy. According to them, such a trend would encourage the government to intensify its programmes of diversification and promote industries and other commercial activities in the long term perspective.

Such a trend was noticed in the aluminium industry, by far the largest and the most profitable in the non-oil sector. According to the BMA, the main smelter (Aluminium Bahrain or 'Alba') accounted for a record production of 180,344 metric tonnes, exceeding its rated capacity by more than 10,000 metric tonnes. Sources at Alba claimed that the level of production reflected the company's 'ability to maintain a stable operation while increasing vital operating parameters such as line current and current efficiency'.

The Bahrain Saudi Aluminium Company (Balco), a joint venture undertaking which markets aluminium on behalf of the Governments of Bahrain and Saudi Arabia showed a more than two fold increase in net profits during 1987 to reach BD21.4 million from BD10 million in 1986. The Middle East, the Far East, the Indian Subcontinent, Europe and North America were the international markets to which the products were exported.

Describing the rate of inflation as 'negative for the third year in succession,' the BMA said: "The decline in the rate of inflation was due to the decline in consumer price for food, beverages and tobacco, ready made clothes, textiles and footwear, house related items, sports and literature and other commodities and services. Consumer prices for other items such as transport services, education and medical care and health services rose."

A quick review of the developments that occurred during 1988 provides a broad indication of the direction in which the economy would have moved. Ibrahim 'Abd-al-Karim, the Minister of Finance was obliged to levy

duties on tobacco (20 percent), alcoholic drinks (25 percent) and boats (10 percent) in his interim budget for the year to fetch an estimated revenue of BD3 million, justifying the levy on what he called 'non-productive items.' These, in addition to the fluctuations in exchange rates, especially the Japanese yen may have left an impact on the prices of most commodities last year, although the government was keen to ensure that there were no artificial hikes in prices.

Government revenues in 1987 witnessed an increase of 17.4 percent (BD81.4 million) to reach BD549 million as compared with the futures available for the previous year (BD467.6 million). According to the BMA, this was mainly due to the increase in grants and loans while the level of oil revenue remained almost static. Expenditure also showed a rise of 13.7 percent to reach BD554 million from BD487.1 million in 1986. The country's balance of payments, however, registered a record deficit of BD116.6 million, compared to a surplus of BD35.7 million in 1986. This was mainly due to the runaway growth in imports, up from BD911.7 million in 1986 to BD1,021.5 million in 1987. The total value of exports also ascended from BD887.9 million to BD896.4 million.

According to the report, foreign assets amounted to BD146.7 million, accounting for a marginal decrease by BD0.3 million. Although investments with non-residents increased by BD65.2 million, deposits with banks outside Bahrain, placing in particular with the OBUs decreased by BD53.5 million. Loans to non-residents fell by BD11 million.

"Foreign liabilities amounted to BD146.7 million, showing an increase of BD4.9 million or 3.2 percent compared to December 1986. Capital and reserves due to non-residents decreased by BD8.7 million, compared to December 1986 levels, the report said.

Set Up of Agricultural Research Center Discussed *44000436a Manama AL-HAYAH AL-TIJARIYAH in Arabic & English Feb 89 p 11*

[Text] As a part of its efforts to promote productivity and production in the agricultural sector, the Government of Bahrain is understood to have proposed the establishment of a Research Centre with the support of the Bahrain Centre for Studies and Research (BCSR).

It is understood that the Board of Trustees of the BCSR which met recently under the chairmanship of the Crown Prince and Commander-in-Chief of the Bahrain Defence Force Shaykh Hamad Ibn 'Isa Al-Khalifa had approved a proposal in this connection. Official sources also stated that the Research Centre will be located within the Agricultural Laboratory in al-Budayyi'.

The move follows a detailed study undertaken by the Ministry sometime ago on 'cross-breeding techniques' as a step towards improving agriculture. Based on the

findings of the survey, the Research Centre is expected to promote work in a number of areas to improve the yield from arable land, produce strains of sheep and explore possibilities of producing additional crops.

Official sources stated that employment of modern methods of agriculture and pollution control are among the chief factors contributing to improved production. "In view of the increasing demand for food and other agricultural products, it is considered essential to improve the quality and quantity of the produce, partly to utilise the available potential and partly to minimise imports. The ministry has addressed itself to the problems relating to pest control and other factors that erode crops and the measures needed to improve the production of sheep and introduction of suitable strains of animals and plants," the sources said.

Officials have also stated that research work has led to the cultivation of a number of products including tomatoes and cucumbers in greenhouses satisfying accepted standards and conditions. Expansion is envisaged in producing other items such as beans, eggplants, pepper and gourd. Bahrain has also been deriving the benefits of the experience gained by other countries with regard to pests.

A conscientious drive undertaken by the Ministry to plant additional palm trees to increase the production of dates has been accruing the desired results. New methods of irrigation are being employed to assist farmers in improving their yield. Incentives are offered to farmers to improve their ways and means of getting more from their land.

Efforts to augment productivity in the fisheries sector received a major boost with the visit of Yusuf Ahmad Al Shirawi and Habib Ahmad Qasim, respectively ministers of development & industry and commerce & agriculture to India last year. Following the visit, Mr Qasim had said that Indian assistance had been sought in training Bahraini nationals in prawn culture and other related activities as well as guidance in fostering the development of fisheries in the island. The absence of brackish water or low salinity conditions were no longer considered constraining factors in view of the success achieved in some of the centres in India where similar conditions prevail.

It was, however, later pointed out that the factors that influence the promotion of fisheries and prawn culture in Greater Bombay (which was considered as an example) were related to island waters where as Bahrain depended on marine waters for the tasks envisaged. The government is reported to have held discussions later with experts in the Republic of China in view of success registered there. Possibilities of enhancing research facilities for fish production are now being examined in Bahrain.

EGYPT

Al-Minya Governor Advocates Firmness With Radicals

45040239a Cairo AL-NUR in Arabic 15 Feb 89 p 4

[Interview With Major General 'Abd-al-Tawwab Rashwan, al-Minya Governor, by Ahmad 'Abd-al-'Aziz; date, place not given]

[Text] Because of the constant clashes between the Islamic groups and the police, who continue to besiege mosques, schools and the university, al-Minya experiences calm only rarely. In our ceaseless search for the language of reason and for rational logic amidst these clashes, I went to Major General 'Abd-al-Tawwab Rashwan, al-Minya Governor, to explore his opinion on this continued phenomenon, his view of radicalism, the reasons for his initiative which reflects his opinion regarding the cure, as well as the governorate's role in religious education.

The surprise was that Maj Gen 'Abd-al-Tawwab Rashwan insisted on confrontation with the Islamic group, expressing the belief that firmness is the only way to deal with it and declaring his decisive rejection of anything called the Islamic group and of mediation between him and anybody. He said that dialogue with the Islamists is futile and that the security agencies' storming of mosques has been for the purpose of arresting individuals planning to attack the security men.

To begin, I asked Maj Gen 'Abd-al-Tawwab Rashwan about the continuing phenomenon of besieging mosques in al-Minya.

[Rashwan] As security men, we are never the reaction to the events. We are the action itself. This is why we take precautions and besiege the crime sites before crime is committed. When my sources and information tell me that I need to besiege the mosques, I besiege them. It is exactly as when I lay an ambush for thieves.

[AL-NUR] But the security forces have repeatedly stormed the mosques.

[Rashwan] The intention to commit crime is what motivates us always. For example, if a person enters a mosque carrying bricks and stones, then I must storm the mosque and arrest him. Generally, such cases are individual cases.

[AL-NUR] Who, in your view, is the radical?

[Rashwan] He is a narrow-minded individual who imagines things that do not exist. He has his own understanding of the religious laws. For example, such an individual may approach somebody and tell him: Whoever among you sees a forbidden action "then let him correct it." It is the same as when an individual approaches somebody

and tells him: "Do not approach prayers while drunk," except that this individual omits "while drunk." Thus, such an individual gives a truncated interpretation of the verse.

I tell such people: Why should you try to stop a crime with your own hand when the ruler is responsible for stopping it?

I tell you frankly that only firmness and force work with such people. This is why we have our eyes who are watching them and who try to strike them before they do anything.

As I have already said, we will never be the reaction. We will always take the initiative. We have no alternative to firmness and force.

Moreover, tell me: Dialogue with whom? With the amirs and the leaders? They have fled the governorate.

What if they return? Could we hold a dialogue with them?

What dialogue? Dialogue with them has been a failure. They are exactly like drug dealers. A drug dealer exposes himself to death to make a profit. He gives the youth drugs that kill them, and so are these radicals who expose themselves to death and give the youth religious doses that kill them. To me, the objective is the same, namely to destroy the youth, even if the means are different.

Those we are trying to cure are the group attracted by these radicals. This is why we are forming groups in the schools, each supervised by a teacher who is completely bound to the group, who knows the name and is aware of the economic and social circumstances of each student in his group.

We have begun to implement this system in al-Minya from the kindergarten level to the university level.

[AL-NUR] I have heard that the Shari'a Society has tried to mediate between the Islamic group and the security agency to pacify the situation. What is the outcome of this mediation?

[Rashwan] I reject this mediation. I even reject the very word "mediation" because these youths have (parents) and a government who should control their action and their way of life.

These youths must belong to the state and must not swerve from its law and system.

[AL-NUR] I say that as long as you reject dialogue with them, then a third party, such as the Shari'a Society, should convey their ideas and opinions to you so that you may familiarize yourself with them.

[Rashwan] I reject this mediation and this approach and I tell them that they must abide by the system of the country in which they live.

[AL-NUR] So what is your initiative to solve this problem?

[Rashwan] My initiative is that I am prepared to meet all that the youth want if they apply to the governorate to participate in the production projects, in the quarrying projects, in the production families and in land reclamation. I am fully prepared to meet such demands. But if they turn themselves into a state within the state, then I reject to have anything called the Islamic group.

Shari'a Is Applied

[AL-NUR] Don't you think that applying the Islamic Shari'a could provide a good solution that satisfies all parties concerned?

[Rashwan] The Islamic Shari'a is fully applied in our country. But if there are aspects to which they object, such as usury, then the prominent ulema have not agreed on a definition of usury. There is no call for oneupmanship and follies.

[AL-NUR] If, for the sake of the argument, we agree with you on this, then what could you say about the other aspects, such as the Shari'a restrictions and alcohol?

[Rashwan] These are simple matters. There is a verse which says: "Obey God, the prophet and those among you who are in charge." As a citizen, one should not feel guilty or responsible in this regard. The entire responsibility falls squarely on the ruler's shoulders. However, the government is moving in the direction of applying the Islamic Shari'a.

[AL-NUR] Has al-Minya issued, like the other governorates, a decree to close alcohol shops in the governorate?

[Rashwan] Yes, a decree to the effect was issued two years ago. In fact, it was not a decree but a popular wish expressed through the local councils.

As for owners of alcohol shops who object to this, we pay them no attention. But we do not prohibit anybody from drinking alcohol. Anybody who wants to drink may do so. We serve alcohol in the tourist places.

Religious Education

[AL-NUR] What role does the governorate play in the area of religious education?

[Rashwan] The mosques are the base of religious education. We always exert efforts to make preachers of all affiliations advocate high morals and direct the youth toward production in their sermons.

We also organize numerous political symposiums, interspersed by religious symposiums which we hold in the various population centers, schools, universities, factories and companies.

This is in addition to the efforts made by the governorate's press and information and cultural media and youth-care agencies.

Agriculture Minister Sells Expropriated Land
45040242B Cairo AL-AHRAM AL-DUWALI in Arabic
5 Mar 89 p 5

[Article by Amin Muhammad Amin: "15,000 Feddans of Expropriated Land To Be Sold in Birqash to Citizens and Associations on the Installment Plan"]

[Text] Dr Yusuf Wali, deputy prime minister and minister of agriculture and land reclamation, has decided to sell 15,215 feddans of new land suitable for reclamation and cultivation in the Birqash area east of the Cairo-Alexandria Desert Road. It will become the property of citizens, unions, and cooperative associations. The price will be 400 pounds a feddan. One-fourth of this will be a down payment, with the remainder to be divided over 10 years.

A committee has been formed, including: Engineer Muhammad Fathallah Kirah, head of the Public-Sector Organization for Agricultural Development; Engineer Ahmad 'Abd-al-Mun'im al-Laythi, head of the South Tahrir Agricultural Company and implementation supervisor for Ministerial Decree 1,222; and Engineer Muhammad Kamal Ja'far, head of the Fund for Land Reclamation and of the Central Administration for Ownership and Disposal. The committee will discuss the submitted applications, which have been accompanied by feasibility studies of the projects to be established on these lands, and will give priority to serious projects.

Engineer Ahmad al-Laythi stated that conditions and terms for the sale of these areas will be announced in the next few days. This is considered to be the first step in the sale of areas that squatters had appropriated. The status of those who were in earnest (they had taken possession of 30,000 feddans) has been legalized.

Engineer Kamal Ja'far said that the violation committed by Mahmud 'Abd-al-'Aziz Daghir, who had illegally occupied a 15,000-feddan area to be sold at Birqash, has been removed. The Agriculture Ministry, together with security forces, has put an end to the violation and arrested him.

The head of the Fund for Land Reclamation added that this area represents the first installment to be sold following the end of the grace period granted for legalizing the status of squatters on a 125,000-feddan area on both sides of the Cairo-Alexandria Desert Road. The

period ended on 31 January. During it, 30,000 feddans were transferred to [private] ownership, and 3-year leases were given for an area of 65,000 feddans.

A 30,000-feddan area whose status has not been legalized is now being inventoried. It will be put up for sale to citizens, organizations, and associations at a price of 400 pounds a feddan, with an auction to be held among those who come forward with the down payment.

Engineer Kamal Ja'far said that Ministerial Decree 1,222 by Dr Yusuf Wali has demonstrated its success over a 2-year period since its implementation and that the Cairo-Alexandria Desert Road has been transformed for the first time into a new agricultural road.

Labor Force Minister Discusses Unemployment Solutions

45040242A Cairo AL-JUMHURIYAH in Arabic
9 Feb 89 pp 2, 3

[Interview with Labor Force Minister 'Asim 'Abd-al-Haqq, by Mahfuz al-Ansari, Hasan 'Uthman, Jalal al-Sayyid, Hasan 'Amir, Badawi Mahmud, and Jamal Kamal: "I Cannot Wear Two Hats at Once—Minister and Labor Union Head"; date and place not given]

[Excerpts] The working forces complain that the ghoul of prices is devouring their limited income and that their salaries and bonuses are not keeping up with inflation rates. The unemployed forces complain about shrinking job opportunities and the unemployment crisis. How does the labor minister view this difficult equation? How does he view the features of the way out of this situation? How does the new labor law translate these basic features into a new, more realistic climate for the relation between the sides of the production operation?

At the beginning of our conversation with Labor Force Minister 'Asim 'Abd-al-Haqq, we asked him to introduce himself to readers of AL-JUMHURIYAH.

['Abd-al-Haqq] I am an ordinary Egyptian. I was born in one of Egypt's villages in 1939. I obtained a bachelor's degree in business and a master's in industrial sciences. I worked for 28 years continuously in the textile sector. I participated in trade union activity as an official responsible for education in the Union of Egyptian Workers since 1964, as vice-president of the General Spinning and Weaving Union, and as deputy director general of the Labor Union Organization.

Promotions and Ranks

[AL-JUMHURIYAH] The new law on government and public-sector workers has become a major worry for everyone with a limited income in Egypt.

What were the defects of the old law that made you think about changing it? What are the main features of these changes?

[Abd-al-Haqq] The main defect in the old law was the promotion system. Under this system, promotion meant both a salary increase and also that the worker would leave the job in which he had excelled and become proficient and be promoted to a supervisory position. [passage omitted]

[AL-JUMHURIYAH] But how will seniority be taken into account, if it is not linked to promotions?

[Abd-al-Haqq] Seniority can be credited in bonuses, not in ranks. Four sectors have already cancelled ranks: the Suez Canal, oil, electricity, banks—and the press, of course. All of them are successful sectors. There are no ranks in them, only a “functional designation.”

Employee Forever

[AL-JUMHURIYAH] Doesn't this mean keeping the worker in the same job forever?

[Abd-al-Haqq] The worker wants two things from promotion. The first is increased income. The second is a psychological factor: he wants to advance in his work and the position he fills. The new law, as I said, will solve the first problem. The second will fall within the area of filling top-level positions and jobs that fall vacant, so that one person replaces another. Supervisory positions are very important in the production process. They are currently not given sufficient attention. They are one of the most crucial management links. The present functional pyramid is distorted because of pressures, connections, and the bureaucratic system of promotion. [passage omitted]

Constants and Variables

[AL-JUMHURIYAH] What else is new in the proposed law?

[Abd-al-Haqq] I think the new law will be a general framework for labor relations and will guarantee the fundamental rights that the constitution has specified:

- Work is the right of the worker and citizen.
- Arbitrary dismissal is not allowed.
- Health care for workers.

These are fundamental principles that the labor law must include. Then there must be various regulations that fit the nature of the work in terms of production and its type. It makes no sense for us to put on the same footing a worker who stands in front of iron and steel furnaces and another who works in light industry. It makes no sense for us to put workers in pharmaceutical firms on the same footing with workers in small or light industries. There will be specific regulations for the seven main sectors of production, and there will also be standards for quality and the kind of work force, so that these fit the circumstances of each sector.

[AL-JUMHURIYAH] Does this mean that there will be no general wage rules applicable to everyone?

[Abd-al-Haqq] The law must set the general framework for basic wages. Then each sector will have its specific regulation defining incentives, allowances, etc.

[AL-JUMHURIYAH] What is your view of a minimum wage?

[Abd-al-Haqq] It should be living expenses. Without doubt, these expenses have increased far above the current minimum of 35 Egyptian pounds, which cannot fulfil the needs of any family.

[AL-JUMHURIYAH] Do you think linking wages to production is better, or should they be linked to prices, especially in light of increasing inflation?

[Abd-al-Haqq] The ideal way is linking wages to production [and] to prices. In general, labor laws should be reviewed every 5 years, so that they respond to changes in society.

Like me, you may be amazed that the Internal Commerce Law in Egypt has not been reviewed since 1883.

[AL-JUMHURIYAH] What do you think about reducing the salary differential between people with intermediate certificates and those with high certificates, so as to promote technical education?

[Abd-al-Haqq] I think the best thing would be to raise technical workers' wages greatly.

Four Performance Levels

[AL-JUMHURIYAH] What changes in labor relations are proposed in the new law?

[Abd-al-Haqq] [passage omitted] The annual bonus should have two parts: a social component that keeps up with inflation rates, and a component related to competence. The substandard worker should receive only 50 percent of the bonus. Personally, I am against bonuses for encouragement. I am for freeing the hand of management to grant incentives.

Rejected Recommendations

[AL-JUMHURIYAH] The IMF recommended compensating and releasing government workers as the way to lighten and rationalize the burdens of the government apparatus. Some African countries have applied this recommendation, with serious and very negative effects. What do you think about following this recommendation, when we have 3.5 million nonproducers in the government sector?

[Abd-al-Haqq] The IMF's prescription does not fit all times and all places. Local circumstances must be taken into account. Personally, I completely reject the idea of releasing government employees. Why do we have to follow this recommendation, which, as you indicated, has negative effects? We have better alternatives, such as the ones contained in the new draft law: early retirement for those who desire it, and appointment of no new people in the government or public sector except to satisfy actual requirements. We are proceeding resolutely with this policy. The publicly owned industrial sector absorbed no new workers in the period from 1982 to 1987. The work force even declined in it. This led to an improvement in the productivity of the pound in terms of wages.

[AL-JUMHURIYAH] What do you think about the idea some people have promoted—that workers should be employed in the private sector, with the government paying their wages for 2 years?

[Abd-al-Haqq] This is also an idea to be rejected. What is to prevent the private sector's benefitting from the work of these people for the 2 years and then doing without them afterwards? In practical terms, this would merely mean providing free labor to the private sector for 2 years.

Unemployment the Problem of the Whole Society

[AL-JUMHURIYAH] Unemployment has become a phenomenon that has gotten out of hand, throwing thousands and thousands of people into the army of the jobless, and idling the younger generations, who wait long years after graduation to find a position. What is your evaluation of this phenomenon? What plan does the Labor Force Ministry have to remedy it?

[Abd-al-Haqq] First, unemployment is not the problem of a particular ministry; it is a problem of society.

Second, it is also an international problem. Sometimes it even exists in industrially developed countries due to technological progress. In Egypt we find that it has two features. First, there is the tremendous population growth, which is the root of the problem. Second, education is not linked to requirements of the labor market. [passage omitted]

[AL-JUMHURIYAH] However, we notice that unemployment includes all specializations.

[Abd-al-Haqq] The basic distinguishing feature of unemployment in Egypt is that it is unemployment of educated people.

[AL-JUMHURIYAH] Do you agree with published figures stating that the number of unemployed people in Egypt has reached at least 2.3 million?

[Abd-al-Haqq] Unemployment in Egypt is not that high. Some say that the number of unemployed among us has reached 2.4 million. However, I would state on the basis of the facts that their number does not exceed 1 million.

[AL-JUMHURIYAH] How?

[Abd-al-Haqq] Each year, we have 250,000 graduations from intermediate schools and 100,000 graduates from higher schools. We have given job appointments to graduates with intermediate certificates through 1982 and to graduates with higher education certificates through 1983. In other words, we have appointed 1 and ½ million people in the last 5 years. In 1987-88, we appointed 251,000, in addition to 36,000 holders of teaching certificates, as well as 13,000 people in the Health Ministry annually. Six thousand graduates with distinction were appointed to scientific research centers. New lands were distributed to 5,000 graduates who rejected appointment to a position.

Soon we will appoint 91,000. Thus, the remaining graduates number 1.25 million. The latter figure is the real amount of unemployment, and even this figure...

[AL-JUMHURIYAH] But the figures on which you relied ignored school drop-outs and craftsmen!

[Abd-al-Haqq] Some craftsmen are subject to seasonal unemployment. As for school drop-outs, their rate does not exceed 8 percent according to Education Ministry reports. Let us assume that it is double that. This will not greatly change the basic features of the picture I presented.

Cause of the Discrepancy

[AL-JUMHURIYAH] Then what is the reason for the huge discrepancy between your unemployment figure and the figure that the Central Organization for Mobilization and Statistics has given, stating that the army of unemployed has reached 2.8 million?

[Abd-al-Haqq] The Central Organization is correct, and I am also correct. Its statistics are based on international standards that count the number of unemployed people from age 6 to age 64. Now I ask you, are there any children who work at age 6? The Labor Law does not permit anyone under 15 to work and does not permit government employment for anyone under 16. Those between the ages of 6 and 15 are in school, not on the street. We have 12.8 million in school, including 2 million in al-Azhar education. This is the reason for the difference in figures.

[AL-JUMHURIYAH] Yet we see that the employment of children is a real phenomenon!

[Abd-al-Haqq] Violations of the rules set by the Labor Law form only limited exceptions.

[AL-JUMHURIYAH] Turning from the disagreement about the number of unemployed, we see the presence of foreign workers in our country. Doesn't this represent a glaring contradiction? Isn't it another reason why this problem has gotten out of hand? Why don't you intervene in your capacity as labor force minister to stop this phenomenon?

[Abd-al-Haqq] The number of foreign workers in Egypt was 18,000 in 1986-87. It is currently 17,000. I promise you that the number will continue to decrease and shrink.

We have strictly forbidden the employment of Filipino and Sri Lankan female servants. Anyone whose permit expires must leave, except for those who come with our Arab brothers or workers in embassies.

As for the number of foreigners who are present, they work in sectors that serve the national economy, particularly in electricity, oil, and tourism. The law has regulated their work, so that the number of foreigners does not exceed 10 percent of the size of the work force in each enterprise. Each foreigner must have an Egyptian assistant and may not remain in Egypt more than 5 years. Naturally, I agree with you that there have been unreasonable and unacceptable cases, especially as regards Asian domestics, but the problem is on the way to clearing up.

As for the Palestinian and Sudanese work force now present among us, its presence is a pan-Arab question. They are our brothers. We cannot treat them like foreigners.

[AL-JUMHURIYAH] What do you say about foreign doctors and nurses in Egypt?

[Abd-al-Haqq] I have asked the health minister to restrict them. Their number is limited. We will not permit any of them to remain if an Egyptian replacement is available.

[AL-JUMHURIYAH] Isn't it strange that we still ask "experts" to come—even in the sectors you were kind enough to indicate—despite the fact that we have built giant projects, such as the High Dam, electrical and thermal plants, etc.? Why haven't these large projects spawned cadres that would render foreign expertise unnecessary for us?

[Abd-al-Haqq] Many of these experts are part of the grant agreements. As I said, their use takes place within the narrowest limits.

Vocational Training Centers

[AL-JUMHURIYAH] What is the role of the training centers currently in existence?

[Abd-al-Haqq] They graduate 85,000 persons a year and are capable of graduating 250,000 a year. They can be operated on two shifts. Training in them lasts for 7 months after the basic appointment stage.

We have proposed that the Education Ministry direct 10 percent of students after the basic education stage into vocational education. Some governorates, however, have refused. This is destroying what we are doing.

I say that a country like Germany has progressed because it has produced outstanding technical workers through a two-track educational system. After basic education, students go to vocational training centers and spend a day in theoretical instruction and 4 days in practical training.

[AL-JUMHURIYAH] What is the role of industrial apprenticeship schools?

[Abd-al-Haqq] It is limited in the Ministry of Industry. There are 38 centers throughout the country. They currently absorb 10,000 people a year. The "complex" in Egypt is the "diploma complex." The problem has to do with customs, traditions, and values. We see that an Egyptian peasant's son who has graduated from university will refuse to work with his father in the field, but will accept any professional work in the Arab countries.

[AL-JUMHURIYAH] Are you pleased with the existing training centers?

[Abd-al-Haqq] We need to modernize and develop these centers, which are affiliated with many organizations.

[AL-JUMHURIYAH] You are obviously enthusiastic about development and modernization, but doesn't this require large credits?

[Abd-al-Haqq] Another side of the unemployment problem is that everyone wants to work in white-collar or office jobs. [passage omitted]

Solutions Halted—Why?

[AL-JUMHURIYAH] Your Excellency, to speak frankly: 4 years ago, when Sa'd Muhammad Ahmad was labor force minister, there was said to be a training project for every Egyptian. Even before that, we heard about training centers run by The Arab Contractors. We interviewed you personally in 1987 and heard the same words from you. It all exists and is well known. Nevertheless, nothing happens to solve these problems; we just repeat what we said previously. Where is the way out of this closed circle?

[Abd-al-Haqq] This year, for the first time, I placed figures on the surplus and deficit in all specializations before the Higher University Council. We have passed the proficiency measurement law. This will solve part of

the problem of changing profession on the identity card. It will protect the traditions of each profession and will protect workers who emigrate to the Arab countries.

Existing industrial establishments can be used for training. All industrial establishments contain facilities that already exist. The important thing is that we should take advantage of their existence. The private sector should participate in preparing a skilled technical work force.

[AL-JUMHURIYAH] Why doesn't public opinion have a clear idea about the vocational training centers?

[Abd-al-Haqq] I made a list of training centers—it took me 6 months of work! I discovered the existence of a vocational training center occupying 8 feddans and with very advanced equipment, but with fewer young trainees than the fingers of one hand. I found centers with excellent equipment and tools, but no trainers. The matter requires the provision of a national structure for training.

Our Sons Abroad

[AL-JUMHURIYAH] The export of Egyptian workers is clearly part of the solution to the unemployment crisis. What is your ministry doing to protect the rights and dignity of Egyptians working abroad—indeed, to protect their dignity before the Arab embassies in Cairo, since we see unpleasant pictures of the latter?

[Abd-al-Haqq] I am asking for regulation of travel abroad. Some people are quick to say that any regulation of workers' travel abroad is against the constitution. However, Article 52 of the constitution provides for free movement of labor and says that the law should regulate this right. [passage omitted]

[AL-JUMHURIYAH] How?

[Abd-al-Haqq] Work overseas takes place either through loans, contracts, or bilateral agreements. There is no problem with loans or contracts. The problem is that thousands of Egyptians travel to the Arab countries that do not require an entrance visa—Iraq, Jordan, and Yemen, for example. The Four-Party Economic Grouping will open new horizons. In asking for regulation of travel by Egyptians to work in these countries, I do not mean to limit their freedom. I only mean to help them obtain work in an organized way. It makes no sense for us to let our Egyptian sons and daughters travel with nothing but a one-way ticket and knowing nothing about the needs of the labor market into which they are heading. When the meager sums they have with them run out, they find themselves in an embarrassing and undignified situation. It also makes no sense for us to turn a blind eye to uncontrolled travel to sister Arab countries by some deviants and criminals. This harms our image and our relations with our Arab brothers. Isn't regulation needed?

[AL-JUMHURIYAH] The question is how.

[Abd-al-Haqq] I am not imposing any specific idea. Agreement could be reached through bilateral agreements. [passage omitted]

Supply and Demand

[AL-JUMHURIYAH] Why does the government interfere in this? Why doesn't it leave the matter to supply and demand?

[Abd-al-Haqq] Regulation is not interference or imposition of authority. As I said, would you like any Egyptian to travel to Iraq, for example, with no more than 200 to 300 Egyptian pounds, and to confront the unknown when his money runs out?

[AL-JUMHURIYAH] This is an exceptional situation involving the three countries that do not require an entry visa. Why pass a law applicable to everyone who travels to any country?

[Abd-al-Haqq] There are 140,000 Egyptians in Jordan. Those whose status has been checked number only 80,000. Should we leave the others with their status unchecked? In Iraq there are 1 million, most of them recent graduates not proficient at any profession. Why don't we give them professional preparation, so that afterwards they can travel prepared?

[AL-JUMHURIYAH] You will never regulate these. You will regulate new travelers. Isn't it enough if you agree with the three governments to require an entry visa?

[Abd-al-Haqq] That these fraternal governments do not require an entry visa flows out of their pan-Arab vision. They consider all Arabs to be brothers and do not recognize the fictitious borders existing between them.

[AL-JUMHURIYAH] Frankly, does the regulation you are requesting derive from security considerations and a desire to preserve the dignity of the state, or does it derive from humanitarian considerations?

[Abd-al-Haqq] It is first for the benefit of the worker, so that his dignity will not be insulted outside Egypt, so that his obtaining a worthwhile return overseas is assured, and so that the Egyptian worker does not receive a lower wage than his counterpart of any other nationality. I want to tell you that our information attache in Yemen, for example, has informed me that Egyptian teachers accept jobs in Yemen at very meager wages—30 dinars—and live in unsuitable housing. Does that please you?

[AL-JUMHURIYAH] Your Excellency, the Egyptian who does so is not behaving irrationally. He is certainly not doing it voluntarily, but only because he finds no suitable job in his own country. Clearly, the subject is

complex and many-sided. Don't you think it deserves treatment on a pan-Arab level, in consultation with Arab governmental and nongovernmental bodies, as well as domestic treatment, with all Egyptian political tendencies participating in the discussion?

[Abd-al-Haqq] [passage omitted] We must learn from our past experiences. One of these experiences has been travel offices. We have closed 84 out of 130 offices. It cannot have escaped your notice that many of these offices exploited people's need to travel abroad for jobs and cheated them. I therefore call on everyone who is going to travel in search of a job. I say to them: Any worker, whatever his specialty, when he obtains a job opportunity from a travel office, from a relative, or in any way, should consult his nearest labor office, so that it can confirm the validity of the contract for him.

One Policy, or Several?

[AL-JUMHURIYAH] Our constant impression is that there is no central policy to export workers. Is this impression correct?

[Abd-al-Haqq] There is a policy, but it is divided among many ministries.

Legal Surveillance

[AL-JUMHURIYAH] Doesn't the fact that the Labor Force Ministry inspects the budgets of labor union organizations represent interference in the freedom of union activity? Why do you not leave the financial auditing to public associations?

[Abd-al-Haqq] The money of workers is public money and must be protected. We intervene only in accordance with the law.

[AL-JUMHURIYAH] Isn't combining the position of labor minister with that of president of the Workers' Federation another form of government tutelage over the labor movement?

[Abd-al-Haqq] My personal opinion is that I cannot wear two hats at once. I cannot write a letter from the labor minister—myself—to the president of the Workers' Federation—the same person. But let us look to the future. It has become clear that the labor minister has prerogatives and responsibilities, and that the labor movement also has prerogatives and responsibilities. Speaking briefly and frankly, I think that the minister's presence in the capacity of president of the Workers' Federation is a mistake, because he is inspecting himself.

Former Minister

[AL-JUMHURIYAH] You were attacked by some people because of the case of former Labor Minister Sa'd Muhammad Ahmad. What was your role in the matter?

[Abd-al-Haqq] I did not turn the former minister over to the public prosecutor's office. That was done by the administrative surveillance body. After the Central Auditing Bureau carried out an inspection, it submitted a report on 30 June 1985, while Mr Sa'd Muhammad Ahmad was still holding the office of minister. [passage omitted] The government, as you know, supports the union movement with 2.5 million pounds a year. It has to know that this support goes for the purposes for which it is earmarked.

On this occasion, I would like to say that financial surveillance has been applied to all union organizations.

Shurbaji Experience

[AL-JUMHURIYAH] The brief introduction you were kind enough to present of yourself included the fact that you worked for a time in the Shurbaji Company while it belonged to the private sector. This leads us to raise the following question for you to discuss: What is the significance of the fact that the Shurbaji Company prospered while it belonged to the private sector, and then declined and ran losses after it became a public-sector company?

[Abd-al-Haqq] The problem is not the kind of ownership, public or private. There are private-sector companies that go bankrupt. Figures show that 50 private enterprises are now suffering from severe financial crises and are in urgent need of a solution, if they are not to close their doors. So the problem is one of management. By the way, I do not agree with the widely held error that the productivity of Egyptian workers is low.

[AL-JUMHURIYAH] Then what do you say about the figures that demonstrate that labor productivity in Egypt is reduced, if not extremely low?

[Abd-al-Haqq] Most of the figures that are circulating fall into a particular accounting error, traceable to the fact that they lump workers in the production sector with workers in the government. As a result, they divide the total volume of production by the total number of workers in the public sector and the government. This is a mistake. The 3.5 million workers in the government do not have productivity. On the other hand, only 1.6 million work in the public sector. The [productivity] ratio cannot be fair unless we divide production only by this latter number.

[AL-JUMHURIYAH] Do you have any other things to say?

[Abd-al-Haqq] I hope that Egyptian families will be responsive to the new values and recent changes in society. The whole world is changing. The future belongs to the person who has a vocation or profession, not to the person who has a degree.

The second point is that the population explosion is the root of all our problems. We are increasing at the rate of 1.3 million persons a year. That cannot continue.

Government To Set Up Fund To Help Failing Chemical Companies

45040178b Cairo AL-JUMHURIYAH in Arabic
7 Jan 89 p 4

[Text] Engineer Hilmi 'Umar, chairman of the Public Sector Authority for Chemical Industries, says that the budget fund authorized by the Ministry of Finance will lend to failing companies at reduced interest and, in certain circumstances, without interest, based on the circumstances of each company.

He explained that it has been decided to issue the executive regulations before the first of March, and that the system of lending and of using the fund would be as follows:

Loans may be made to failing companies, when a study of the company shows that if it obtained loans it could become profitable after losses.

Loans may be made to companies that offer products at less than actual cost because of product pricing conditions.

Loans may be made to companies that do not raise prices on their products because of price saturation or the availability of alternative, similar goods from the private sector or as imports.

Muhammad al-Shaykh, chief of the Chemical Authority's financial sections, said that the Ministry of Finance has approved establishment of the fund with the following stipulations:

Fund resources must not represent any burden on the country's general budget. In other words, the fund will be based on policies of self-financing and must rely on its own resources to carry out its operations to revitalize failing companies.

The fund must offer actual services to the companies that would help rectify a company's financial situation and strengthen its ability to rely on itself to finance raw material purchase requirements and open documentary credits with banks.

AL-JUMHURIYAH has learned of one source of revenue for the fund that will be approved in a meeting of the board of directors of the Chemical Authority and authorized by the minister of industry. An amount specified by the authority's board of directors according to each company's financial ability, that will not represent a burden on its budget, will be included in each company's budget in exchange for fund services used by the companies.

Any surplus over the 10 percent allocated to the Chemical Authority office from company profits for supervision and management will be deposited as one of the fund's principal sources of revenue, with use of this portion under the fund's direction.

The fund will also be financed by deposits made by the companies in banks that participate in the fund, with the proviso that the company compensate the deposit holder at the same rate of interest as that obtained from the banks.

He explained that some failing companies will receive interest-free loans, depending on the circumstances, and the fund will pay interest to the depositing company. Other companies will obtain loans at half the interest rate charged by banks.

It has been decided that the fund will begin to offer services to the companies under the 1989-1990 budget.

The Chemical Authority's chief of financial sections added that, in the long term, the fund will help the authority fulfill its role as a holding company in accordance with the executive regulations of the Public Sector Law, as well as strengthening the ability of failing companies to rely on themselves and to go from losses to profits. It will also help the Public Sector Authority to participate in projects using assets accumulated in the fund instead of turning to the general budget, as well as increasing the companies' returns and profits, which revert to the state.

Infighting, Mismanagement Blamed for Islamic Bank's Losses

45040178a Cairo AL-JUMHURIYAH in Arabic
6 Jan 89 p 4

[Text] The Central Bank of Egypt is studying a report on the Islamic International Bank for Investment and Development, which has undergone a noticeable decline since 1986, with an increased bad debt ratio and a recent drop in the value of shares from \$21 to only \$12. The bank's companies are still controlling operations and management and obtaining open facilities while most of them are companies on paper only, not having gone into operation.

From the outset, the bank's activities have centered on financing vehicles and certain consumer goods, which is in violation of its founding resolution, which emphasizes investment and development. At this point, the bank is far from achieving this goal.

Loans are granted without guarantees or inquiries about the customers, most of whom default on payments intentionally or in collusion with certain bank employees.

When the current board of directors of the bank was appointed, they formed a committee to study credit and management violations. In doing so, the committee relied on a report prepared by the Central Bank of Egypt, but did not report the violations to the appropriate legal authorities for reasons unknown. For the third year in a row, distribution of profits to shareholders has been suspended because of insufficient allocations to meet credit risks and bad credit practices, at the same time that extensive appointments have been made and uncontrolled compensation paid, with one employee receiving 4,100 pounds a month for monitoring loan payments.

In the most recent general meeting of the bank, the current board of governors asked for a delay to rectify the situation since, according to the chairman of the board at that session, its only acquaintance with the bank situation was in April 1988, when the member delegate was appointed. Even though attempts at credit and administrative reform began in July 1987, when 'Adil Tantawi was appointed director general of the bank and succeeded to a great degree in correcting some of the conditions (his banking qualifications are undisputed), infighting among members of the board and conflicts between the board and the companies impeded continuation of his efforts. When he asked to speak to the general meeting, he was prevented from doing so.

At the general meeting, three members of the current board submitted their resignations: Dr Ahmad Kamal Abu-al-Majd, Dr 'Abd-al-Hamid al-Ghazalah, and Ahmad al-Sharif.

Dr 'Abd-al-Hamid al-Ghazalah said, "I had one view on dealing with the situation, which met with objection from the current board. For this reason, I submitted my resignation; however, I am staying to help the board and the bank through this stage. Despite all this, the bank's foundations are strong, guaranteeing that it will be reformed. We must get on the right path."

Engineer Salih al-Hadidi, current member of the board of directors, said, "I was a member of a committee investigating credit and management violations headed by Dr Ahmad Kamal Abu-al-Majd. The committee's report was submitted to the board of directors and contained the report on the bank prepared by the Central Bank of Egypt. The committee asked the board to forward the violations to the legal authorities, but the board refused to do so by a majority of members. Some of the other members, including Justice Yaqut al-'Ashmawi and Dr Sa'id 'Ashur, and I informed the public prosecutor and the socialist public prosecutor, stressing the need for investigation of the violations determined by the Central Bank. Despite the objection of the current board, 15 members of the former board and auditors were brought before the al-Jizah Primary Tribunal charged with criminal responsibility.

According to Eng Salih al-Hadidi, "The bank can be reformed by the wise use and lowering of commissions. It must try to monitor debt acquisition, and large shareholders must subscribe to increase capital. The bank says that the current board has refused to hold the previous board accountable for errors. We need to tighten expenditures, to take firm stands on any speculation, to improve performance in the investment section, and to not conceal or remain silent about any violations."

'Atiyah 'Abd-al-Rahim 'Atiyah, one of the bank's founders, said, "The bank's deteriorating situation has hurt small shareholders in particular, since time after time in the Third World, profits are not distributed while credit and management violations are being committed. This deterioration occurred because there is no one on the board of directors with banking experience; they are all from other professions: an attorney, a hotel employee, an engineer, a contractor. The bank requires banking expertise to monitor and grant credit. Profits were converted into allocations that were not sufficient to meet credit risks, according to the auditors' report. Before taxes, profits totaled approximately 1.5 million pounds, which included 900,000 pounds considered profit from the banking operation of one of its customers, Hatim al-Malwani, who has defaulted.

"How can the board of directors investigate credit when not one of them is a banker? Last April, member delegate Ahmad 'Adil Kamal was appointed; however, he issued administrative decisions and then rescinded them. Since his appointment, he received approximately 2,428 pounds in a 6-month period.

"In 1987, board members received 128,767 pounds in bonuses and compensation for attending sessions, and in 1988 received 122,073 pounds. The board chairman received 30,000 pounds in 1987 and 26,000 in 1988. The member delegate assigned an employee to follow up debt collection, paying him 4,100 pounds a month. Bank employee Faysal al-Islami was given this job."

According to 'Atiyah 'Abd-al-Rahim, the price of a share dropped from \$22 to \$12, and no serious effort was made to check up on customers who defaulted, such as al-Janayni, Hamdi 'Abd-al-'Azim, and Ibrahim al-Khalil. Astonishingly, all the bank's financing activity centered on the automobile business.

'Atiyah 'Abd-al-Rahim added, "The member delegate issued eight administrative decisions, which he again rescinded. Two employees were discharged, accused of currency dealing. They filed suit, and a ruling was issued to reinstate them.

"The former chief of the bank's investment section, Hilmi 'Atiyah, has reached retirement age, is at home not working, and draws his salary of approximately 5,000 pounds a month.

"Strange things are going on in the extending of credit, when a customer in al-Zaqaziq gets credit from the al-Minya branch, a customer from Tanta obtains loans from Cairo, and a customer from Cairo gets loans from the Tanta branch.

"The manager of the Tanta branch has been promoted to assistant general manager. He holds a secondary school diploma in business, and his monthly salary is approximately 4,000 pounds. He also gets a house, a car, and other benefits. When will the authorities concerned intervene to save the small shareholders in this bank?"

Housing Ministry Reports 15,000 Units Vacant in Madinat Al-Sadat

45040250b Cairo AL-UMMAH in Arabic 26 Feb 89 p 8

[Text] An official source of the Ministry of Housing has stated that Madinat al-Sadat has 15,000 vacant units looking for occupants. This is in addition to a complete ministerial complex which can accommodate 4 ministries, administrative buildings that can accommodate dozens of government agencies, schools suffering from shortage of students, an automatic telephone exchange seeking subscribers, an automatic bakery and a sports stadium.

The source added that the main reason for this situation is attributable to the disinclination of some officials to abandon their air-conditioned and comfortable offices in the capital's center. The source also stressed the need to devote attention to the [al-Sadat] city by virtue of the millions spent on its construction and to ease Cairo's overcrowding.

He said that Madinat al-Sadat is ripe and ready to realize the hope we have been pursuing—a hope on which we have spent a lot of money only to turn our back to it, as if we have never hoped for anything.

Housing Minister Discusses New Housing Law

45040259 Cairo AKHIR SA'AH in Arabic
8 Feb 89 pp 10-11

[Interview With Engineer Hasaballah al-Kafrawi, Minister of Housing, Reconstruction and New Communities, by Suhayr al-Husayni; date, place not given]

[Text] The new housing bill the Ministry of Housing submitted to the People's Assembly has aroused numerous questions and fears among the citizens. The serious question is: Has this bill been drawn up to serve the landlord's interest at the tenant's expense? Is it fair to increase the monthly rent regularly for 5 years at a rate ranging from 15-25 percent [annually]? What is the wisdom behind the provision calling for selling houses to tenants? How would the tenant pay the price to the landlord? In case a tenant cannot buy, is the landlord entitled to evict him?

Moreover, why does the bill empower the landlord to demolish old residential and business buildings? What would become of their (occupants)? Why does the bill not call for punishing a landlord profiteering from the housing crisis, selling illusions to the citizens, selling a unit to more than one buyer or failing to abide by all the terms of a contract? What is the story of the Housing Subsidy Fund paying the rent increase to incapable tenants? How will the fund be financed in the coming period after the law is issued?

Furthermore, where is youth housing placed on the Ministry of Housing and Reconstruction's plan and agenda? What is the number of housing units that will be designated for the youth annually? How will the phenomenon of (vacant) apartments in the new towns be brought to an end? What are the controls governing the distribution of apartments to the youth and the needy? Has the Youth Housing Bank plan achieved its objectives, keeping in mind the hefty installments that have diminished the utilization of this housing by needy youth? Where is the plan to transfer the ministries to the new towns? All these questions have been the focus of the comprehensive interview with Engineer Hasaballah al-Kafrawi, the minister of housing, utilities, reconstruction and new communities. The answers have been more than frank. They dot the i's and cross the t's and crystallize all the benefits offered the youth, landlords and tenants by the ministry's new plan for the coming period.

The interview with Engineer Hasaballah al-Kafrawi, the minister of housing, utilities, reconstruction and new communities, began with a question on the new housing bill the ministry has submitted to the People's Assembly for approval:

[AKHIR SA'AH] Now that the new housing bill has been published and discussed, many say that this law has been drawn up for the landlords' benefit and without consideration for the tenants' interests, thus increasing the burdens of the citizen who can no longer withstand any more burdens. What is your opinion of what is being said?

[Al-Kafrawi] What is surprising is that what has reached me indicates the contrary. It is said that this new bill has been largely drawn up to serve the tenant's interest at the landlord's expense. I believe that the law seems to be so. Many of the bill's articles side with the tenant.

[AKHIR SA'AH] How?

[Al-Kafrawi] To begin, I say that we have tried as hard as possible to make the new housing bill stand neutral between landlord and tenant. If there is anything to dictate partiality in any position, then this is in the tenant's favor. This is an acknowledged and indisputable fact. This principle was obvious from the outset to whoever took part in debating the bill.

Before I carry on about this bill, I must say that what has been submitted to the People's Assembly is a bill that has not become law yet. For it to become law, it must be approved by the People's Assembly. This has not happened yet because the bill is still in the phase of debate and modification.

We have discussed this bill with all the parties—the National Party, al-Wafd Party, the Labor Party, the Grouping, the Liberal Party and the brotherhood. It was also discussed by the Shura [Consultative] Council. This bill is the gist of all these discussions. It has been debated by the leftist and rightist parties. The bill in its present form represents the maximum agreement between them. It is well known that when the right agrees with the left on certain points, then it is the most that one can aspire for. This bill is the most we have been able to accomplish. It is now approved by all the tendencies. This is why I say that the new bill has been constantly neutral. When compelled to take sides, it has steadily sided with the tenants' interest and not with the landlords' interest, as you have said.

Why Increase Housing Rent?

[AKHIR SA'AH] Then permit us to raise with you some provisions of the new law which are evidently in the landlord's, not tenant's, interest. Let us begin with article one which states: "The monthly rent of currently leased houses shall be increased regularly for a period of 5 years at a fixed percentage of the rent in effect at the time this law goes into force."

[Al-Kafrawi] The currently existing old buildings do in fact belong to their owners. But they are ultimately the property of the entire society. They are a national wealth. What is happening at present under the canopy of the current low rent rates charged for these buildings is that it has become to the landlord's disadvantage to preserve and maintain such buildings. We all know that, to the contrary, a landlord would like to demolish such property as soon as possible so that he may exploit it by either rebuilding and selling at very high prices or by simply selling the property unrebuilt. We are all aware of this. Moreover, it is difficult for the tenant to maintain a residence he does not own. The result is that this wealth of old properties will be squandered.

This is why the state has to preserve these buildings by increasing their rent moderately. I say this, keeping in mind that I, like you, am a tenant and not a landlord. This is why we have thought it fair to raise the rent of these properties. A part of the raise will go to the landlord and a part will be designated for maintenance. I believe that this increase is reasonable when compared with meat and vegetable prices. The rent increase is still much lower than the increase in prices of vegetables, meats, shoes and so forth.

[AKAHIR SA'AH] Mr minister, we feel that there is oneupmanship at the citizen's expense. As long as food prices have increased, housing and electricity prices have to be increased in order that they may keep up pace. In the process, we forget that the citizen suffers the consequences of the price increases in a manner that makes him incapable of withstanding any further increases.

[Al-Kafrawi] I must point out here that housing costs have increased as a result of the steep international inflation which has included the prices of construction materials, as well as prices of the various goods. We have not brought in this inflation voluntarily. However, the new law has not ignored the incapable tenant who will not be able to pay this increase. A fund will be set up at the Ministry of Social Affairs to aid the incapable citizen and to pay this increase on his behalf.

[AKHIR SA'AH] Who will finance this fund? Will it be subsidized by the state?

[Al-Kafrawi] This fund will not be subsidized. Its monies will come from the scheduled rent increase. What we mean is that a rent of a unit currently leased at 10 pounds will rise to 15 pounds. The increase will be divided as follows: 3 pounds for the landlord and 2 pounds for maintenance and restoration. We will only deduct ¼ pound and deposit it in the fund which will subsidize families whose income has not increased enough to enable them to pay the scheduled rent increase.

House Sale Is Voluntary

[AKHIR SA'AH] You have said that you rent. You certainly have an idea of the recent increase in housing [costs] as a result of the big increase in water prices. The landlord adds this increase to the monthly bill at rates that are nearly equal or a little lower than the rent value.

[Al-Kafrawi] I don't believe that water prices have increased at this high rate. However, it is said that equality in injustice is justice. All prices have increased. I believe that the rate of increase in housing costs is lower than rate of the price increases for the various commodities. I say this with full awareness and knowledge.

[AKHIR SA'AH] The new housing bill also empowers the landlord to sell rented units to their tenants. Naturally, these units will be sold for not a few thousands which the tenants may not have. What will be the status of a tenant who cannot purchase his residence? Is the landlord entitled to evict him in case he does not agree to buy?

[Al-Kafrawi] (Extremely annoyed, Engineer Hasballah al-Kafrawi said:)

No. A clarification must be made here. Residence sale to the tenant is voluntary, not compulsory. This transaction is subject to the tenant's wish. In articles 1 and 2, we

speak of rent increases. In article 3, we say that the residence "may be sold to the tenant." So, such sale is not a right to which the landlord is entitled or the tenant is bound.

[AKHIR SA'AH] It is well known that the tenant is now the quasi-owner of the unit and that he leaves it for his children after him. So what is the wisdom behind this article and is it in the landlord's or the tenant's interest?

[Al-Kafrawi] There is a two-part concept behind this article. The first part tells the landlord: Perhaps you are being done an injustice by collecting such small rent from the tenant. If you wish to sell the unit at a small and limited price, it is your right to do so. You will thus get a return. If you deposit it in a bank or invest it in any project, you will get a yield that is many times the rent value.

[AKHIR SA'AH] You have said that the housing units will be sold for small sums. How, specifically, will the value of a unit be calculated?

[Al-Kafrawi] The law states that the prices of non-luxury housing units shall be calculated in the following manner:

For buildings built prior to January 1944, the price shall be 150 times the annual rent at the time this law goes into force.

For units built between 1 January 1944 and 5 November 1961, the price shall be 125 times the annual rent.

For units built between 5 November 1961 and 6 October 1973, the price shall be 100 times the annual rent.

For units built between 7 October 1973 and 6 September 1977, the price shall be 75 times the annual rent.

For units built between 10 September 1977 and 30 July 1981, the price shall be fifty times the annual rent.

The above prices shall be increased by fifty times the annual rent if the sale includes the land connected with the unit. This means that if a tenant pays 10 pounds [monthly] for a unit, his annual rent is 120 pounds. If this sum is multiplied by 150, then the tenant will have to pay 18,000 pounds to gain ownership of the unit. If the landlord deposits this sum in a bank for an 11-percent interest rate, then he will earn 1,980 pounds annually instead of just the 120 pounds he gets for rent, i.e. he will get fifteenfold what he gets now.

[AKHIR SA'AH] This is for the landlord. But what interest does the tenant have in purchasing a unit in which he actually lives and from which nobody can force him out?

[Al-Kafrawi] There are some individuals who do not want their wives to pay rent after their death because of certain financial circumstances. Moreover, by purchasing the unit, the man leaves his wife and children property valued at 18,000 pounds. Compared with new buildings, the unit's value is no less than 50,000 pounds. Thus, both tenant and landlord benefit. For the tenant, this is a guaranteed investment in which fraud is impossible, unlike what is happening in some other investments. In this case, the tenant begins maintaining the unit now that he has become owner and is no longer a tenant.

[AKHIR SA'AH] Article 11 of the law permits demolishing leased houses that were built no less than 100 years ago. We are all aware that there are old buildings that are stronger and more durable than some old [as published] buildings and that they don't deserve to be demolished. Moreover, where would the tenant go in case he leaves such housing?

[Al-Kafrawi] What is happening nowadays is that some buildings are dilapidated and about to collapse while tenants continue to occupy them. Frequently, such tenants die under the ruins. To date, there is no civilized and humane way to protect the tenant from dying under the ruins. The only solution is to demolish the building on the tenants because even when the landlord gets a permit from the quarter and a decision from the court to absolve himself of responsibility, he still cannot evict the tenant.

[AKHIR SA'AH] Perhaps the tenant prefers to die under the ruins of his home than live in the open or be a burden to some relative?

[Al-Kafrawi] This is true. This is why I tell such a tenant now: Save your life, leave this old home and we will give you substitute housing so that the demolition may be done in a civilized way.

[AKHIR SA'AH] Is the tenant entitled to demand that the landlord secure for him another residence in case he vacates the property?

[Al-Kafrawi] Yes, certainly. In this case, the state helps the landlord through the Cooperatives Authority and the Construction and Housing Bank which give the landlord loans or housing units for the tenants living in his old property.

One should keep in mind that this is done in one case only, namely when a building is about to collapse. We say that the minimum is 100 years but this does not mean that every building that is more than 100 years old must be demolished. We only resort to this step when the property is dilapidated in order to protect the citizens' lives. What is written in the law is the phrase "for the citizens' safety."

[AKHIR SA'AH] What about commercial buildings. The law empowers the landlord to demolish such buildings if they are more than 30 years old. Where would the merchants and the craftsmen whose source of livelihood is in such buildings go?

[Al-Kafrawi] There is a proposal to amend the article which permits demolishing commercial property that is 30-50 years old. Everybody has approved this proposal. So, the age will become 50 years.

Where Are Tenant's Rights

[AKHIR SA'AH] It is also noticed that all the articles in the new bill stress in their entirety the landlord's rights and spell out how he can get these rights. We have not found a single article that calls for protecting the tenant in case of landlord fraud, as when a landlord leases a unit to more than one tenant, when he sells citizens illusions and charges them vast sums for it, when he fails to abide by the terms of a contract or when the landlord employs other fraudulent means to exploit the current housing crisis?

[Al-Kafrawi] (Angrily) No, this is untrue. The new bill contains articles that provide for landlord imprisonment and other articles that impound buildings which fail to meet the standards or whose owners tamper with the tenants' interests.

[AKHIR SA'AH] What place does youth housing take in the Housing Ministry's agenda?

[Al-Kafrawi] Youth and youth housing are all that is on the agenda of the Housing Ministry and housing minister. He who has surpassed the age of youth is no longer an objective of the Ministry of Reconstruction because such a citizen has already gotten a job, acquired housing, settled down and raised a family. But the youth continue to seek self-realization. It is for the youth that we build new towns, not only to provide housing but also new work opportunities in these towns which have modern factories and industries that are constantly looking for resident manpower. We are also developing for the youth new areas such as the Sinai, the Red Sea, the New Valley and the High Dam lake. When these areas are developed and begin to offer housing and work opportunities, they will become areas that attract the youth. This is why I say that all of the objectives of the Ministry of Reconstruction and New Communities are entirely concerned with the youth.

[AKHIR SA'AH] Practically and in specific terms, where are the sites of the new youth housing projects, where should the youth go to get housing and how should they go about it?

[Al-Kafrawi] Thanks be to God. I believe that my conscience is at ease because I have strived ceaselessly and with all the means at my disposal to achieve the

objectives for which this ministry was founded. We have used all our time and all the means to serve the Egyptian citizen's interest, and may God be witness to what I am saying.

Practically, I say: Come let us tour the Sinai Governorate now, in 1989, and compare it with what it used to be in 1982, i.e. only 7 years ago. Any fair-minded person will attest to the effort made there, as well as in the High Dam Lake, on the northwestern coast and on the Red Sea coast. There has been a complete change and comprehensive development in these areas. Yet, I still say that we have a lot to do and a long road to cover.

200,000 Units for Youth

[AKHIR SA'AH] How many housing units does the Ministry of Housing and Reconstruction plan include for the youth this year?

[Al-Kafrawi] As I have already said, the Ministry of Reconstruction plan does not include a single unit that is not for the youth. By 1978, the government was building 30,000 housing units annually for urban youth. Now, the government is building 200,000 housing units for the youth annually. If we calculate the ratios, we find that in 1978, the government built 1.5 apartments per 1,000 citizens whereas we are now building 8 housing units per 1,000 citizens. We thus notice how the ratio has developed within 10 years. We have increased production nearly sixfold. Any fair-minded person will attest to this.

I say that it is difficult for any country in the world to achieve this figure. With utter confidence, we are now drafting a statement to send to the United Nations to inquire if higher construction rates are achieved by any other country so that we may go there and learn. With utter gratitude to God, to Whom the credit goes, I thank God, may He be praised and exalted. Who says: "And if you give your thanks, I shall give you more." I mention all these accomplishments so that those who work and make all this effort may not feel frustrated and distressed.

[AKHIR SA'AH] When the Housing Bank project, proclaimed as the hope and opportunity for the youth with a limited income, launched its activities, it engulfed the event in great clamor. But when the youth went to acquire housing, they found the big and successive installments to be beyond the capability of youth with middle income. Most of them backed down and this housing is now acquired by the capable only. What is your comment on this?

[Al-Kafrawi] I say that the Housing and Construction Bank was founded for the youth with a limited income and the [financially] incapable youth. This is indisputable. The concept of this bank came into existence to help the youth acquire housing in which to start their lives. The bank constantly strives to reduce its prices and to expand the sphere of its services.

However, I will ultimately say that this is a bank and that grants do not fall on it from heaven. It works with the citizens' money and it deals as much as possible on the basis of real and actual construction costs. I also say that those to whom the prices of shoes, vegetables and meat are not [as published] rising wonder about the reasons for the increase in housing prices. Here also I must note a certain fact so that people working in this area may not be frustrated. In Egypt, the commodity whose cost has increased least is housing. This is not out of self-denial on the part of those who work in the housing areas because these people are the same as those who work in the meats and vegetables area and in all other areas. The reason for the housing cost growth rates being much lower than the cost growth rates of other commodities is that there is firm and strict control over those working in the housing area. I say this as a certain truth of which every Egyptian citizen must be aware.

New Towns and Solution to Housing Problem

[AKHIR SA'AH] The new towns are supposed to have been built to solve the housing crisis. But it is evident that Cairo is still overcrowded and that most of the buildings in these towns are still vacant, especially in the 15 May and 6 October towns. What is more, the owners of these buildings are using them for business and investment. Has the ministry established guarantees to insure that these towns are utilized in a proper manner that actually contributes to solving Egypt's housing problem?

[Al-Kafrawi] All the sold housing units in the new towns have actually been occupied. This phenomenon may exist in May and October towns because the vacant apartments have not been sold yet. This is why we find that the phenomenon is receding day after day.

[AKHIR SA'AH] Why this vast number of unsold housing units in October and May towns even though the citizens are fighting to get them?

[Al-Kafrawi] You will find that these vacant and unsold units are in the phase of transfer from contractor to occupant. It is impossible for a building to be finished and handed over for ownership on the same day. So, this phenomenon is disappearing gradually.

[AKHIR SA'AH] Are conditions set for the purchase of these units so that they may not be used for profiteering and quick profit by some exploiters?

[Al-Kafrawi] As I have said, this phenomenon exists only in the 15 May and 6 October towns. Yet, strict conditions are established for the sale of housing units in these towns. First, a certain percentage is set aside for workers in the area, meaning that no less than 80 percent of the occupants of the 15 May town units must workers of the Hulwan plants. This provision is also intended to ease overcrowding in Cairo. Instead of having the citizen live in Shubra and work in Hulwan, [we have him live in 15

May town and work in Hulwan]. Besides, only 20 percent of the units are allocated for workers in other crafts. This percentage is also distributed according to certain conditions.

[AKHIR SA'AH] What are these conditions?

[Al-Kafrawi] For example, a citizen wishing to get a house can be an employee who is transferred to Cairo and who cannot secure housing there. In this case, the employee may live in one of the suburbs, such as October Town or May Town. This can also be done in case a residence is demolished in Cairo and the evacuee can find no dwelling, as well as in the case of recently-married youths. These conditions apply to the October and May towns only.

As for the 10 Ramadan, al-'Amiriyah or al-Sadat towns, anybody who gets a housing unit in them must be one who works in the towns. Therefore, a buyer has to live in the unit he buys.

Government and Contracting Work

[AKHIR SA'AH] What is your opinion of the statements that it is better and that the housing crisis will be solved more promptly if the government supplies the needed utilities to the new towns and then sells their lands at proper prices while offering cooperative loans to the citizens? In this case, the ministry will devote its efforts to planning and supervision instead of preoccupying itself with contracting work.

[Al-Kafrawi] I agree. Praise be to God, He who pleases man. In any case, the ministry does not embrace a single approach. It is working with all the means to eliminate Egypt's housing problem. We build housing units through the ministry's companies and through the Housing and Construction Bank. We encourage citizens to build by selling lands to which utilities are fully or partially supplied and by giving them cooperative loans supplied by the Cooperatives Authority. However, the production of the individuals who get lands from the ministry is so very poor that we are compelled at times to take the lands back from them.

[AKHIR SA'AH] Perhaps this is due to the high and compounded interest rates?

[Al-Kafrawi] No, this is not the reason. When the government builds, its sole objective is the public interest. As for the citizen, he often has several objectives when he buys or develops land. At times, the citizen buys land to keep it for a time until land prices rise and then sells it. At times, the citizen builds boutiques and shops that return a high yield. When investing, an individual always seeks the highest profit. But when the government builds, it does so for the citizens' sake and without seeking profit. What I mean is that when President Husni Mubarak entrusted me with the ministry, he did not tell me you are responsible for making such and such

a profit by building homes. On the contrary, he said: Do your utmost for the comfort of the largest number of citizens. If you can win over 100 citizens today and 110 citizens tomorrow, you will have achieved the desired goal. My mission is to serve the largest number possible of citizens because it is not the government's objective to make profit through the units it builds, especially in the area of low-cost popular and economic housing.

Plan To Transfer Ministries

[AKHIR SA'AH] You have repeatedly announced a plan to transfer the ministries and their workers to the new towns with the goal of easing the intense overcrowding Cairo is experiencing. Why has this plan been halted?

[Al-Kafrawi] Numerous factors have led to postponing, not terminating, the plan. For example, we in the Ministry of Housing, Reconstruction and New Communities are prepared to move out of Cairo immediately. But some of the brothers workers in the ministry are experiencing some problems as a result of their social circumstances which may not enable them to move promptly, as in the case when the wife is an employee in a place other than the Ministry of Reconstruction, in the case where they have children in foreign schools to which they are tied or in the case where the employee has an additional evening job. In the Ministry of Reconstruction, we have been able to overcome these personal circumstances and to make alternative arrangements for these workers whose circumstances have not enabled them to move.

Studies are being now conducted in the other ministries and central agencies. The government believes it is better to transfer them within the framework of its plan to move out of Cairo. Steps are being now taken to implement this plan at the earliest time possible and in the desired manner. We say: God, give us strength to accomplish this vital objective for Cairo and its population and, ultimately, for Egypt's interest.

Professional Association Struggle Discussed 45040250a Cairo AL-AHALI in Arabic 1 Mar 89 p 10

[Article by Ahmad Judah: "Civil War in Professional Unions; Dr Amani Qindil: Yellow Leadership Will Collapse; Dr Muna Makram 'Ubayd: Unions' Rebellions Are Sign of Their Vitality; Dr Louis 'Awad: Backward Forces Spread Chaos; Sa'id Salih: Developments Are Beginning of Popular Democracy"]

[Text] What is happening in our professional unions?

They say: Unionist chaos.

They say: Unionist explosion.

They say: Unionist rebellion.

Regardless of the "characterization," the professional unions never experienced "incidents" as tragic as what they have experienced in the past two years.

For example, the judiciary are considering 23 lawsuits filed by members of the Union of Businessmen against each other. No decision has been made on electing a union chairman in years.

Conflicts are intensifying in the Engineers Union between supporters of 'Uthman Ahmad 'Uthman, the eternal union chairman, on the one hand and the liberals, the Islamists, the leftists and the army engineers on the other. In some cases, these conflicts have ended up in the courts.

The same has happened in the Teachers Union where the conflict is intensifying between the "new forces" and the yellow unionists who have, for long years, engaged in unionist action as a "profession."

The story of the Pharmacists Union's conflict is still fresh in people's minds.

No satisfactory conclusion has yet been reached for the drama of the 3 art unions—actors, movie workers and musicians—despite the strikes, the sit-ins, the complaints and the president's promises. Law No 103 is still in force and the artists' interests are left exposed to the storm.

Finally, there is the "black tragedy" which has occurred in the Lawyers Union, "the deep-rooted stronghold of liberties."

We wonder: What are the causes of the "turmoil in the professional unions" which represent "our country's middle class?"

Is this turmoil a sign of their "vitality," as some say, or is it a sign of their "collapse," as others say?

Vitality or Collapse

Dr Amani Qindil, a researcher at the National Research Institute, stresses that Egypt is witnessing these days an extremely vital and unprecedented unionist action. Numerous unions underline their presence and the eagerness of their members to exercise their democratic rights even though the traditions of democratic action have not been clearly established. The incidents in the unions indicate a tendency toward injecting greater efficiency into the unions at a time when the exercise of democratic rights at the national level has been absent. Voter participation is small, interest in elections is rare and confidence in elections is lacking among the citizens who accuse the government of constantly rigging the elections.

Dr Muna Makram 'Ubayd, rapporteur of al-Wafd Party's Thought Committee, agrees with Dr Amani Qindil on the positive nature of the "unionist incidents" and stresses that unionist conflicts add great vitality to unionist action and associations.

Dr 'Ubayd adds that partisanship, i.e. the parties' entry into the unions, has given the unions energy and vitality and that diversification of the political and social viewpoints on the issues raised enriches unionist action in an unprecedented manner, even if this leads to intense conflicts in the unions.

Enhanced Awareness

Sa'id Salih, a well-known comic, agrees with Dr Qindil and Dr 'Ubayd, stressing that the conflicts and problems occurring in the unions are "good" and healthy and show that the masses have begun to demand their rights and their identity. The unionist incidents are a beginning, just a beginning on the path of popular democracy. What is important is that the government, with its soldiers and its might, should not prevent us from demanding our lost rights. In any case, I believe that the "wheel of democracy" has turned and that nobody will be able to stop it. Unionist and political awareness is growing daily as a result of the economic crisis, the intense social polarization and the law of development.

Regime's Oppression

Dr Louis 'Awad opposes all that has been said and believes that there are within the unions "backward" forces that spread chaos in these unions. Nobody knows why the lawyers "are fighting each other" or what they are fighting over. Regrettably, the violent conflicts in the unions reflect the presence of "factional" interests which have not yet developed into issues that concern the public opinion. It is time for the unionists to know on what they should move and how they should conduct their feuds. For example, the unionists must move to have the unionist laws reexamined. These are unfair laws. For example, "eternalization" of a union chairman's term is similar to what we complain of in the general political action, namely "perpetuation" of the president's term in office for life. This is a rejected situation.

[AL-AHALI] But there are, doctor, those who view the unionist incidents as a sign of the unions' vitality?

[Dr 'Awad] This is inaccurate. Rather, these incidents are a manifestation of Egypt's political and democratic deterioration which is the result of the masses' inability to express themselves politically. The parties law and the undemocratic practices of the government and of its various agencies obstruct and impede political action, thus leading to the explosions experienced by our professional unions.

Economic Crisis

It is certain that the economic crisis, class polarization, unemployment (2.8 million unemployed), the weak middle class and the parasitic segments' control of the country's main decisionmaking positions are among the most important causes of the "conflicts being witnessed by our professional unions." Dr Amani Qindil believes that the phase Egypt is undergoing, with all its political, class and economic interactions, is an important turning point in the country's modern history. The professional unions represent the middle class and are one of the channels of material, social and political movement for this class, and herein lies their danger.

What is happening in the unions will alert all unionists to the danger of the absence of democratic bases. The current unionist leadership will collapse sooner or later and this will alert the "silent masses" to the need to move.

Dr Muna Makram 'Ubayd adds: The future must see the fall of the principle of "lack of alternation of the unionist leadership" and the rise of the principle of "alternation of power within our unions." The unionist incidents are tantamount to an indirect rejection of the government's despotism and of the imposition of its representatives on unionist action. The unions are outlets of political expression that attract numerous citizens by virtue of their profession. The incidents are a sign of rejection of the corruption and neglect and of the government control. I believe that the next few years will see the involvement of the branch unions which have been noticeably absent so far. The branch unions' issues are not brought up for discussion and the provincial unions have been ignored because the central authority is in Cairo. But I think that the civilian society's vitality must inevitably generate conflicts and disagreements and that the undemocratic unionist laws must inevitably fall.

About Future

Despite Dr Muna 'Ubayd's optimistic view of the future, Dr Amani Qindil asserts that it is difficult to visualize the future of Egypt's professional unions because what will happen in the future depends on a number of factors, some emanating from the unions and some from the "state's" role.

But regardless of the government's intervention, whether to support its candidates, to practice oppression or to pass oppressive laws, I expect, says Dr Qindil, that the burden will depend fundamentally on the interactions within the unions themselves, on the awareness of the unions' members and on their affiliation with their profession and with the middle class. The professional unions' course will determine the future of the middle class. Professionals are the elite of the middle class and they have their decisive tools to defend their rights.

Dr Qindil added: The unions will pull the rug from under the parties' feet in the foreseeable future. Political action has actually begun to shift from the parties to the unions. This is a positive sign. Contrary to the government's repeated assertions, the political dimension is not responsible for the negative manifestations in the unions. The proof is that the unions suffering from negative manifestations—the doctors, pharmacists, engineers, businessmen and artists unions—are not politicized unions. The conflicts in these unions are either personal (pharmacists, businessmen) or conflicts over legitimacy of representation (artists unions).

Government Intervention

[AL-AHALI] How responsible is the government, with its intervention through its representatives, informers and oppression tools, for the negative manifestations in the unions?

[Dr Qindil] Unionists' awareness is what will fundamentally govern the course of democracy. This awareness is what will stop the government's intervention. In the case of the artists unions, the artists' united position was able to contain and expose the government men. Previously, the artists unions were run as if they were part of the government institutions. The artists did not use their democratic rights until recently.

Twilight of War

[AL-AHALI] But what is the "material basis" of the unionist incidents?

'Ali Badrkhan, a brilliant director, answers: Behind any unionist or political conflict there is a material basis directly connected with the parties to the conflict. For example, the artists' interests are threatened by law No 103. There are 70 producers who fully control 6,400 artists embodying the entire membership of the art unions. The art unions' battles have not ended. The producers "plan carefully for the long haul" whereas the artists remain largely "unaware" that their interests are threatened. The studios are old and the workshops have deteriorated to the point where some of our colleagues have been electrocuted to death. In view of all of this, the professional unions' battles have not yet ended because the artists' interests are still within the sphere of danger.

Director Fahmi al-Khuli, manager of the Modern Theatre, adds:

Since al-Sadat declared the slogan of "supremacy of the law," the law has been violated constantly. Laws were issued hastily to protect the regime, not to serve the masses' interest. This has motivated the masses to protest. We rejected law 103 because it was issued hastily to serve the interest of one or 2 individuals, not the interest of the artists as a whole. Law 103 was not approved by a general assembly and was "cooked up" hastily, thus "angering us" and making us feel terribly oppressed.

What is surprising is that 2 ministers have given their pledge to striking artists to amend the law. But nothing has been done so far. All this has caused the artist masses to lose confidence in the government and in its legislative assembly which is supposed to reflect the opinion of the group, not of one particular individual.

In any case, the incidents, conflicts and "rebellions" in the professional unions have not ended yet. The state of "cautious calm" prevailing in the unions at present is tantamount to what Clemenceau, a British [actually French] politician, called the "twilight of war." The undemocratic laws must be dropped. Unionist and political awareness is growing by the day and the yellow unionists, who belong to nothing other than their selfish personal interest and to the government that has installed them, must depart.

However, all this will teach us a lot. The few wrong steps here and there and the intense conflicts will disappear. With time and experience, the unions will ultimately remain the school where the masses learn to defend their interests with democratic means.

Al-Azhar To Open Branch to Teach Religion in English

45040250c Cairo AL-UMMAH in Arabic 26 Feb 89 p 8

[Text] Al-Azhar University has decided to bolster the new Islamic studies branch which uses English to teach students religion and Arabic. The university has decided to do this with the help of Egyptian and international educational institutions specializing in English-language [instruction] books.

Dr 'Abd-al-Fattah al-Shaykh, the university president, has stated this to AL-UMMAH, adding: The branch now has 22 students selected carefully from among graduates of al-Azhar Secondary School. The duration of studies in this branch is 5 years, including a preparatory year.

IRAQ

Minister Cited on 1989 Foreign Trade Plan

44000414 Baghdad BAGHDAD OBSERVER in English 1 Mar 89 p 2

[Article by Hasan A. Hafiz: "Foodstuffs, Industrial Needs Top 1989 Foreign Trade Plan"]

[Text] Baghdad, Feb 28—Iraq's 1989 foreign trade plan gives priority to foodstuffs and requirements of the industrial sector and the post-war construction drive.

Minister of Trade, Dr Muhammad Mahdi Salih on Monday said in interview on Baghdad Television that allocations for the 1989 import plan increased by 22 percent over the budget allocated for last year's plan.

Imported items include grain, rice, tea, sugar, beans, dry milk, cooking oil and detergents. Money allocated for this year's imports of foodstuffs only increased by 16 percent over last year's figures," the Minister said.

He added that prices of foodstuffs and grain sold to the public are subsidised by the government. "The total government subsidy to foodstuffs and grain this year reaches 233 million Iraqi dinars, an amount which is double the whole allocations for 1968 import plan of ID 150 million."

The Minister said that the plan also secures requirements of the industrial sector. These include raw materials, machinery and equipment needed by the existing industrial projects and those under construction.

Dr Salih referred to the large industrial projects which are under implementation by the Minister of Industry. Since the beginning of this year, the Ministry of Industry has signed many agreements to set up new projects in Iraq. The Industry Minister, Mr Husayn Kamil Husayn signed last January an agreement with the Italian firm Danieli to set up a steel project with a total production capacity of 300,000 tons a year.

The Ministry has also started the construction of a giant petrochemical plant. The plant is expected to produce 21 petrochemical products worth more than a billion dollars per year at current prices.

These projects and many others need various types of machinery and equipment, which will be made available through importation.

This year's import plan will also meet requirements of private industries.

The plan's allocations are apportioned as follows social-ist (public) sector 70 percent 25 percent and private sector 26 percent, Dr Salih said.

Iraq will get its imports from countries with which it has trade agreements and bank arrangements. Iraq maintains joint commissions for trade cooperation with many countries. A report published by the Ministry of Trade in 1988 said the Ministry had concluded 29 trade agreements with different countries in 1987. Nine of them were Arab countries and the rest foreign.

Iraq's trade relations with the rest of the world proved successful through the broad participation in the annual Baghdad International Fair (BIF). At last session of the BIF (November 1 to 15), 62 countries and 2092 firms joined. During the fair, Iraq concluded several trade deals.

Not only Iraq's imports will increase in 1989 but also its exports.

Iraq in addition to oil, also exports a number of agricultural and industrial products such as dates, barley, cement, fertilizers.

Over the last few years many measures were taken to promote Iraqi exports. Export conditions are made easy in order to increase the volume of foreign trade. A special company was set up at the Ministry of Trade to look after exports. The company is assessing both the public and private sectors to handle their exports. It offers 35 percent subsidies to exporters of fruits and vegetables. It also pays for price difference between minimum sale prices and export price.

The Revolution Command Council issued a decision in 1987 allowing private industrialists to export their products on barter basis at 40 percent of the total value of the exported goods.

The Ministry of Trade's main task is to regulate the flow of goods and commodities in the local market. It also facilitates Iraq's exports. The Ministry has a number of organisations dealing with imports, exports, production goods trading, consumer goods trading.

Minister Cited on Reforms in Oil Sector

44000412 Baghdad BAGHDAD OBSERVER in English
20 Feb 89 p 2

[Article by Sabah Y. Yunan: "Oil Sector Reaps Fruit of Reform"]

[Text] Baghdad, Feb 19—The management staff of the Oil Ministry has been cut down to 53,000 from 74,000 persons during the period 1987-1988 thanks to the management reform carried out by the government, Minister of Oil, Mr 'Isam al-Jalabi said here on Sunday.

In a statement on the second anniversary of the management reform campaign initiated by President Saddam Husayn in early 1987, the Minister said the drive has had a special, positive impact on the oil industry.

Accordingly, some 30 oil companies and departments were dissolved, the number of directors general was reduced from 49 to 16 and the number of management sections from 433 to 233.

In 1988, by comparison with 1987, Iraqi crude oil production shot by 19.3 percent, oil exports increased by 15.3 percent and gas exports by 55.2 percent. Meanwhile, the operational capacity of various oil refineries has increased by 8 percent.

Mr al-Jalabi said as far as oil policies are concerned, Iraq was able to emerge triumphant as it obtained a production quota equivalent to that of Iran, namely, 2.64 million barrels per day within the framework of the Organisation of Petroleum Exporting Countries (OPEC).

Upon directives by the President, petrol stations and gas supply centres have been leased to the private sector. At present, there is only 38 petrol stations run by the state while those operated by private owners have risen from 47 to 322. Gas supply centres are all but one owned by the private sector.

In the field of rationalization of expenses, state oil companies have made enormous efforts to manufacture equipment and spare parts using stock or old materials. In the same line, the use of raw materials, fuel as well as non-Iraqi labour was reduced without affecting productivity. To further achieve this policy different companies often exchange materials.

This rationalization policy which included reducing oil-related imports have saved the Oil Ministry some 30 million Iraqi dinars and 45 million dollars during the last 10 months of 1988.

The three North, Central and South oil companies have formed working teams to launch a drive to maintain and repair their equipment and fleet of vehicles. As a result, no car or device was imported last year.

In the field of oil industry development, Mr al-Jalabi, said the second stage of the Iraqi-Turkey pipeline and an oil derivatives project were implemented.

The Ministry also executed other projects including a scheme to supply fuel to Ta'mim Cement Factory, crude oil reservoir, the Oil Refinery in Kushk, Ba'iji, the 28 April refinery and north gas plant.

Oil Minister Interviewed on Reconstruction Efforts

44040302 Kuwait *AL-SIYASAH* in Arabic
5 Feb 89 p 10

[Report on interview with Iraqi Oil Minister 'Isam al-Jalabi, by Mustafa Abu-Libdah: "Priority to Rebuilding Oil-Exporting Installations"; Baghdad, date not given]

[Text] The Iraqi oil minister, Mr 'Isam al-Jalabi, said that the new map for national oil export will be based on three axes: Iraqi ports across the Gulf, pipelines across Saudi Arabia, and pipelines across Turkey. There are no other new projects. In an interview with *AL-SIYASAH*, Mr al-Jalabi added that Iraq is not hiding its export capacity from anyone. It is a capacity that will gradually rise to 5-6 million barrels [a day]. However, export capacity does not mean production at the same volume; rather, raising capacity to this level aims at providing broad flexibility and early pressure on any other producing party thinking of exceeding its assigned OPEC quota.

Mr al-Jalabi said that Iraq stopped receiving the profits of part of the production of the divided neutral zone from Kuwait and Saudi Arabia at the beginning of January 1989. Iraq has stopped shipping part of its crude

oil production by land for export through the Jordanian port of al-'Aqabah or across Turkish territory. This was in order to adhere to the quota that was assigned to Iraq at the recent OPEC meeting. The minister explained the stoppage of exports shipped via these two routes as due to their being the least profitable alternatives. He said that the reserve extractable from the Majnun field in southern Iraq was 7 billion barrels and that the subject of investment there was still in the study stage. The Iraqi minister revealed that the Iraqi crude oil reserve, which was around 100 billion barrels at the end of 1987, had received new additions, but the figures were still under study.

OPEC Agreement

"Although production rates of the OPEC countries last December remained high, as was the case in November, current indications are clear. The improvement that took place in prices after the agreement went into effect at the beginning of January 1989 has raised prices to the levels we desired." Mr 'Isam al-Jalabi considered this improvement proof that the OPEC agreement was in good condition as regards application. This would be an incentive for all producing countries inside and outside OPEC to realize the extent of the great benefit they have obtained. "Full adherence by OPEC countries to their assigned quotas is therefore obligatory. Countries outside OPEC should show a greater amount of cooperation to lower production rates and keep step with decisions of the organization. We hope there will be no violation by any party, because that will later have a negative effect on the market."

Norwegian Position

Answering a question about what has come out of Norway and its production rates, the Iraqi oil minister described the Norwegian position as unfortunately negative, despite the positive character in which Norway is trying to appear through its dealing with OPEC. Norway, as Mr al-Jalabi said, was operating at what is called "maximum production capacity." It then reduces this slightly—7.5 percent. In the end, this means an increase of about 400,000 barrels a day. They say that their capacity is 1.5 million barrels. They cooperate with OPEC by reducing it 7.5 percent. However, this result equals a total increase of about 43 percent from what [their production] was in 1988. The Iraqi minister ended by hoping that the Norwegian government would review its position and not increase production.

Temptations To Increase Production

There is a belief that Iraq engaged in oil cheating during the 8 years of war and that its greatly increased need to fund reconstruction in the coming period will require tremendous expenditure. Within this picture, impressions developed that Iraq might become subject to the temptation to increase oil production and exports, especially since it is now implementing a broad program to

increase its export capacity. In response, Mr 'Isam al-Jalabi said that one must distinguish between the terms "production capacity" and "export capacity." "During the past years, Iraq constantly had a production capacity of about 4 million barrels a day; what we suffered from was shortage of export capacity because of the stoppage of our oil ports on the Arabian Gulf. We are not hiding from anyone the subject of the expansion and activation of our export capacities. The capacity of the pipeline over Saudi territory will rise from .5 million barrels to 1.650 million barrels a day during 1989. At the same time, the end of the war will mean the rebuilding of our petroleum installations that were used for export by way of the Gulf." The Iraqi oil minister added, "Yes, we shall have export capabilities of about 5-6 million barrels a day on a gradual basis. However, this does not mean that we will use this capability: first, because we do not have production capacity equal to the export capacity; second, and more importantly, because we have announced that we are always aiming at maximizing revenue, not at maximizing exports without regard to prices. What is the benefit of exporting 4 million barrels a day at a price of \$10 a barrel, if it is possible to realize greater revenue by exporting smaller quantities at higher prices? This is what we are striving for and what we hope will be everyone's aim, taking into consideration the importance of oil market stability and of arriving at reasonable prices that keep pace with market requirements, whether for the producer or consumer." Minister al-Jalabi said that an increase in Iraq's production and export capacity would put Iraq into a position where, "if any other country begins to exceed its quota, we ourselves will have a response." In the past, Iraq had no ability to increase production; even if others vied with each other to increase production and influence prices, Iraq had its hands tied.

"When we have production and export capacity, we hope the others will sense that there is a country, Iraq, capable of exerting influence, if it wants to.

"But we will always continue to work with the goal of maximizing revenues, not on account of production."

Export Map

Mr 'Isam al-Jalabi, said that the new map for Iraqi oil export is based on three axes: "First, our ports across the Gulf, with a capacity from 2 to 3 million barrels a day; next, pipelines across Saudi Arabia, with a capacity of 1.65 million barrels a day; then, pipelines across Turkey, with a capacity of 1.6 million barrels. The total capacity of between 5 and 6 million barrels a day will provide us with broad flexibility. We have no projects in this area." Minister al-Jalabi gave the impression that the scheduled completion date for the IPSA-2 pipeline across Saudi territory was set for this September. As for the pipeline across Syria, Iraq has written it off for good.

New Fields

Minister al-Jalabi pointed to continued step-by-step development of new fields in Baghdad, al-Qurnah, and North al-Rumaylah. The East Baghdad field is currently producing, and the Saddam field is in the process of development for production.

The Majnun field is still in the study stage. Its extractable reserves amount to 7 billion barrels. The minister said that Iraq's crude oil reserve stood at 100 billion barrels at the end of 1987. He had indications of new discoveries still under study. Their new figures would be announced later.

Oil of the Divided Zone

Minister al-Jalabi said that since 1 January 1989 Iraq had stopped receiving any profits from part of the Kuwaiti and Saudi production from the divided zone, in accordance with the previous agreement that ended at the beginning of this year. Minister al-Jalabi said that Iraq was continuing to supply Kuwait with gas through one line being used to operate a gas liquefaction plant. However, Iraq, as Mr al-Jalabi stated, has reached the stage of using its entire national production of associated gas.

Export by Truck

Regarding the circumstances and reasons for Iraq's decision to stop transporting crude oil by truck for export from the Jordanian port of al-'Aqabah, as well as across Turkey to the Mediterranean, Mr 'Isam al-Jalabi said that cooperation with Jordan and Turkey expressed a deep relationship and joint interests. He added that there had been no commitment to any party to continue the shipment and exporting until a particular date.

The Iraqi minister described truck transport as the least economical alternative. It was therefore halted after Iraq's quota was fixed at 2.64 million barrels a day at the OPEC meeting. Mr al-Jalabi added that what had been decreased through these outlets was crude oil; the shipping of petroleum products would continue within the limits of Iraq's OPEC production quota. "Thus, the total amount that we transport by truck in 1989 for export through al-'Aqabah and the Turkish ports will depend on the quantity of our exports from our ports facing south."

Barter Very Limited

Minister al-Jalabi described operations for selling Iraqi oil by the "net back" and barter systems as very limited. Regarding the Japanese request that some debts owed by Iraq be repaid in crude oil, Minister al-Jalabi said that this matter did not fall into the category of barter. The Japanese had asked that a certain percentage of their debts be repaid in crude oil. Agreement had been reached with them. What remained were financial details that were being handled by other qualified Iraqi agencies, not the Ministry of Oil.

Oil Reconstruction

Regarding the priority operation of reconstructing and reactivating oil installations that were subjected to shelling during the war, Minister al-Jalabi gave the impression that ports had begun to be returned to operation and their channels had begun to be cleared as soon as the fighting ended.

A large part of the task had been undertaken by Iraqi companies. Foreign companies had undertaken another part of it. Mr al-Jalabi said that the damage the war had left was large. Operations for clearing channels and the high seas were continuing intensively. Clearing facilities along the Shatt al-'Arab and bringing them back into operation depended on political efforts related to the subject.

Although the subject lies within the competence of the Ministry of Industry, rather than the Ministry of Oil, it should be pointed out that the oil facilities included in the movement of rebuilding, restoration to operation, and continued expansion, include the following:

1. The 2-unit al-Basrah refinery, with total capacity of 140,000 barrels, which should have returned to operation in late January 1989.
2. The export ports at al-Bakr, al-'Amiq, and Khawr al-Zubayr—also incorporating the ability for moving loading. The American firm of Brown and Roth has been charged with exploring ways to clear them and the technical obstacles to this.
3. The al-Zubayr petrochemicals plant.
4. Petrochemicals Complex No. 2 in the central area south of Baghdad.

During the middle of last year, the British branch of Bechtel Corporation contracted to present an consultative study on this project. Thinking about it had already begun before the war. It will have an initial cost of about 2 billion dollars.

Husayn Kamil Cited on Petrochemical Complex Project

44040347 London AL-TADAMUN in Arabic
6 Mar 89 p 33

[Article by As'ad al-'Aquli: "Implementation of the Middle East's Biggest Petrochemical Project; Annual Production of 1.5 Million Tons and Sales of \$1 Billion"]

[Text] Iraq has begun to operate the Middle East's biggest independent petrochemical industries complex. The complex will have an annual production capacity of 1.5 million tons and sales valued at more than \$1 billion, according to the current prices of the products it will turn out.

Hasan Kamil Hasan, the minister of industry and military industrialization, has said: The ministry is giving priority to this project. Its production will be allocated for export as of the initial years. The project will produce 21 petrochemical derivatives.

The minister has noted that Iraq has begun to implement this project directly on its own in accordance with the industrial development plan. The national capabilities will be utilized maximally and the help of foreign expertise will be enlisted on the basis of the project's enormous size and the period set for its construction. To realize the objective of gaining scientific and blueprinting experience in the implementation of chemical and petrochemical projects, to reduce cost to a minimum, to acquire modern production units, to abridge implementation time and start production as soon as possible, the ministry has concluded a contract with a specialized international firm to provide technical and executive advice on the project. The firm's staff is currently working with the Iraqi cadre in all phases of contracting, supervision, and operations. A contract has been concluded with another international firm to draw up the project's blueprints, to take part in purchasing the equipment, and to assist in supervising the installation and operation of the complex's main unit—an ethylene unit which will have a production capacity of 420,000 tons annually. The project relies on foreign financing and on loans and [credit] facilities granted to Iraq.

In a related development, the Iraqi Ministry of Industry is currently negotiating with international firms and expertise houses to conclude contracts for the purchase of the technological expertise for the complex units which will produce polyethylene, (polystyrene, polypropilane—A.B.C.—and biotadayene), chlorine, and aromatics. It is expected that these matters will be decided in the first quarter of this year. The project includes 12 production units, excluding the service units which will be built in 34 months. Production will begin in 36 months. As for the other units, they will be built simultaneously with the main units and will be completed 12 months after these units.

The minister of industry said that the project products will be used as raw materials in the private sector's projects in the areas of boat building, electrical equipment (control boards), home furniture, packaging materials, plastic bags, thermal insulation materials, tires, dyes, [plastic] panels, shoe heels, suitcases, piping and its accessories, solvents, vessels, nylon threads, medical equipment, medications, adhesives, clothing, glues, detergents, synthetic rubber, office desks, and other articles.

Specialized sources note that a number of Arab countries began as of the mid-1970's to plan to build a large number of petrochemical projects on the basis of the development of numerous principal support factors, especially the expanding local Arab markets and their

ability to absorb considerable quantities of petrochemicals; the abundant availability of capital, raw materials, and energy; the right cost; and the accumulation of petrochemical industry expertise as a result of the expanded oil refining industry and the production of chemical fertilizers in the Arab countries.

At the beginning of this decade, Arab petrochemical production amounted to less than a half million tons. It rose to nearly 4 million tons by the middle of the decade and is expected to exceed 10 million tons by the end of next year. In the early 1990's, production capacity is expected to rise to nearly 12 million tons, including 46.24 million tons in basic petrochemicals, 43.14 million tons in semi-processed materials and 42.84 million tons in final petrochemical products [all figures as published]. In light of the reluctance that prevailed in the area and led to delaying the introduction of this industry, this expansion is acceptable.

Upon comparing the production capacity indicators and the expected demand of a large number of petrochemicals in the Arab world with similar indicators and demand at the international level, [one can conclude the following]:

The Arab world's share of the world's basic petrochemicals production capacity amounts to only 3.8 percent.

If Arab petrochemical projects are operated at full capacity, 50 percent of their production will be in excess of the Arab homeland's need. Therefore, a way must be found to export this surplus to the industrial and developing countries' markets. Moreover, efforts must be made to develop new uses for these products in the Arab world.

Excluding low-density polyethylene, the Arab world experiences a shortage in all final petrochemical products, such as high-density polyethylene, polypropilane (B.V.C), polystyrene, polyester, alkylbenzene, and other products. Moreover, there is an absolute shortage of numerous final petrochemical products, such as unsaturated polyester, polyamid, pharmaceutical products, and a number of other products.

The basic petrochemicals production is focused on ethylene and methanol which represent 77 percent of [production] capacity. This means that a small percentage [of production] is devoted to propilane, (butadaine), and alkylbenzene), which contrasts with the world's other major production areas where we find a balance in the production of these materials.

As for semi-processed products, the emphasis is on ethylene derivatives, considering that 71 percent of production capacity is devoted to production of ethylene dichloride, ethylene glycol, ethylene oxide, and polyphe-nylchloride. Moreover, styrene production relies on benzene and ethylene. This is reflected in the final petrochemicals which are predominantly derivatives in which ethylene is involved as a total or partial component.

It is noticed that there is an absence of petrochemical products used in the production of synthetic fibers, synthetic rubber, and plastics involved in engineering products,(al-ratinjat), polyurethylene, and paints.

It is also to be noted that these industries are concentrated in a small number of Arab countries: Saudi Arabia, Iraq, Libya, Algeria, Qatar, Kuwait, and the United Arab Emirates. Saudi Arabia is distinguished by possessing the largest production capacities, 62 percent of the total Arab basic petrochemicals production capacity, 69 percent of the semi-processed petrochemical products, and 61 percent of the final petrochemicals production capacity.

Ministry of Industry To Launch New Training Plan

44000413 Baghdad BAGHDAD OBSERVER in English
1 Mar 89 p 2

[Article by a staff reporter: "Ministry To Launch Major Training Plan"]

[Text] Baghdad, Feb 28—The Ministry of Industry has prepared a major plan to train its personnel and raise their efficiency, said a source at the Ministry.

The new training plan is the broadest to far with an increase of 30 percent over the last one. The Ministry hopes to enrol more than 30 thousand employees in inservice training courses.

The source said the plan aims to improve efficiency of the staff in various industrial departments, raise performance and cut down industrial accidents, thus reducing cost.

The Ministry will hold 1502 courses inside industrial installations affiliated to it. These courses will take 25,064 employees.

Other employees will enrol in 960 courses organised by other ministries and state departments inside the country. The number of personnel to join is estimated at 2,024.

There are also plans to admit 4033 trainees at rehabilitation courses to be organised by vocational training centres of the Industry Ministry. Secondary school students will be admitted to these courses to acquire skills in mechanical, electrical and operational fields.

Upon successfully ending the courses, students would be awarded a vocational certificate that would be equivalent to those obtained by secondary school graduates.

Part of the plan includes agreements to send 58 employees abroad to study for Ph.D. and M.Sc. degrees in engineering and scientific specialisation. The agreements

will be made with Arab and non-Arab international organisations and in the light of bilateral accords of cooperation signed between Iraq and other states.

The Ministry's plan will cover employees and workers in almost all departments whether technical or administrative to offer opportunities to the largest number possible of trainees to raise their performance and their knowledge.

ISRAEL

SHAS Gains Power in Jerusalem

44000370 Jerusalem THE JERUSALEM POST in English 1 Mar 89 pp 10, 12

[Article by Haim Shapiro: "SHAS Doubles Strength in Capital"]

[Text] In religious politics, SHAS, the Sephardi Tota Guardians who first competed in the Jerusalem municipal elections four years ago and grew in strength in the recent Knesset elections, seemed to have gained even more power yesterday.

The party's greatest gains appeared to have come in the two ultra-Orthodox bastions of Bene Beraq and Jerusalem. But party leader Yitzhaq Peretz stressed that, in his view, SHAS's greatest achievement was registered elsewhere in the country.

According to Israel Television's forecast last night, SHAS might win up to six seats in the Jerusalem council—double its strength until now.

Local party leader Nisim Ze'ev said last night that the question of whether SHAS would enter into a coalition with Mayor Teddy Kollek's One Jerusalem, which has apparently lost its absolute majority, would have to be decided by the party's Council of Tora Sages.

Ze'ev indicated, however, that if the party did enter into the municipal coalition, the questions that would have to be considered were whether there would continue to be cinema showings and other public entertainment programmes on Shabbat and, even more important, Shabbat soccer games.

The percentage of eligible voters who cast ballots was higher in the ultra-Orthodox quarters than in the rest of the Jewish neighbourhoods in the capital. In Mea She'arim, the usual posters warning the public not to participate in the "Zionist" elections were overshadowed by posters from Habad supporters expressing their outrage at Rabbi Eli'ezer Shakh's latest statements.

The religious political map in Jerusalem was made uncertain by the participation of the relatively new party, Degel Hatorah, whose list was headed by a particularly attractive candidate, Uri Lupolianski.

Lupolianski is the founder of Yad Sarah, the volunteer organization which loans out medical equipment free of charge. A minor furor in the campaign erupted last week when Aguda charged that Yad Sarah workers included girls doing alternative national service, which is rejected by the ultra-Orthodox community.

In Bene Beraq mobs of cheering ultra-Orthodox on both sides of the political fence seemed to indicate that there was no clear result in the struggle for power between the Sephardi dominated Shas-Degel Hatorah faction and its Agudat Yisrael rivals. But the election definitely changed the political map in the town, where an Aguda-controlled coalition had hitherto held power.

Rabbi Yerahmi'el Boyar, who stands to take over as mayor after Moshe Irinstein completes his half of the term under the rotation agreement, said it was too early to see the final results. But he added that there was a clear increase for his faction in returns coming in from the largely Sephardi neighbourhoods.

The streets were filled with *haredim* whooping it up as results from each voting station came in. At party headquarters and at city hall, leaders of the contending factions were surrounded by large numbers of supporters.

Rabbi Hilel Kohen, the campaign manager for Shas-Degel Hatorah, said his party's key political aim was to obtain equal educational opportunities for the children of their Sephardi and Lithuanian supporters who, he said, had been discriminated against by the Aguda-led local government.

Meanwhile, Yitzhaq Sheinfeld, spokesman for Agudat Yisra'el, said he believed his party would block its rivals from obtaining a majority, and would succeed in "modernizing Bene Beraq, bringing in industry, and transforming it from a backward town."

The tension in Bene Beraq had risen to fever pitch following a speech on Saturday night in which Rabbi Shakh, mentor of Degel Hatorah and Shas, launched a new offensive against the Habad hassidim and their leader, the Lubavitcher Rebbe, who have become the allies of Agudat Yisra'el.

Absorption Minister Yitzhaq Peretz, the SHAS leader, said last night that his party's victories were far less important to him than its appearance on the political map throughout the country.

While he was not yet celebrating, Peretz said that, in his view, SHAS was representing a public which, until now, had had no representatives.

"That is a victory for the State of Israel," he said.

Border Police Units in Gaza Profiled
44000422 Jerusalem THE JERUSALEM POST in
English 17 Mar 89 pp 2, 11

[Article: "The Right Men for the Task"]

[Text] **The Border Police are to play a key role in dealing with the unrest in the Gaza Strip. Michael Rotem reports on the character and structure of this elite force.**

Last week, the Border Police was finally given responsibility for restoring calm to some of the most problematic areas of the Gaza Strip. Considering the special operational qualities of this unique, semi-military force, the only surprise was that it took so much time and so many civilian casualties before Israel's "green berets" were thrown into the arena.

The sight of middle-aged reserve soldiers in bulky combat gear awkwardly trying to chase lightfooted Arab youths has always caused red faces in the IDF [Israel Defense Force] command. Political and moral questions aside, both IDF and police security officials are certain that a massive Border Police presence in Gaza will help reduce violence and lower the number of casualties.

A resident of Gaza's notorious Jabalya refugee camp seemed to back up these assertions. "When the *shabab* see the red berets, they throw rocks and stones; when they see the purple and brown of the Giv'ati and Golani brigades, they throw from far away. But when they see the dark green berets of the Border Police, they get the hell out of there."

But the real problem has been the reserve soldiers. Excellent proven warriors in previous wars but lousy policemen in the intifadah, veterans say they spend much of their reserve duty keeping hotheaded conscripts in check and worrying about how to return safely to their wives and children.

One of the main advantages enjoyed by the Border Police over the army is length of service in the territories. It takes weeks of painful foot patrols to become familiar with the local alleys, hiding places and caves, and to recognize the trouble-makers; and just as reserve soldiers were starting to find their way around, their month of service would end and they would be replaced by new reservists who had to learn everything from scratch. Regular soldiers were also frequently replaced in order to minimize loss of combat training.

Border policemen, on the other hand, are planned to stay in a specific area for extended periods. Although highly mobile, the Border Police do indefinite tours of duty in one specific area.

Gaza youngsters know that their escaping deep into the camps does not frighten the Border Police, who are familiar with every inch of ground and willing to chase them anywhere. The soldiers have been more cautious, often because they lack intimate knowledge of the area.

The Border Police employ young police officer recruits, who undergo police and combat training in the police's Bet Horon training base. The hard core of this organization consists of very experienced, older officers. The Border Police employs Jews, Arabs (both Christians and Muslims, Druze, Circassians and Beduins side by side.

Living and working together for many years, they have developed a unique kind of relationship. The language barrier does not exist, and all are familiar with Arab traditions. It is easier to imagine a Druze Border Police officer settling matters with local leaders over a cup of coffee after uttering traditional greetings than it is to imagine the same dispute being settled by a North Tel Aviv bank manager on a month of reluctant reserve duty.

Shortly after the Six Day War, the IDF issued its soldiers in the territories a brief Hebrew-Arabic dictionary (the Arabic words written in Hebrew letters) with sentences like, "Stand against the wall!" and "Show me your identity card." This pocket dictionary became a joke long ago. The Border Police officers will need no such superficial aids to help them carry out their duties. They know the proper decorum for treating an Arab woman, a businessman, an elderly, respectable gentleman or a kid.

And when the riots begin, the specialized training given in Bet Horon can mean the difference between a dispersed crowd and a list of casualties that includes dead and injured Arab youngsters. Soldiers are trained and equipped to win wars against opposing armies, preferably killing enemy soldiers.

Using clubs and riot gear are an essential part of training for all recruits to the unit. Standard issue clubs, both to soldiers and policemen, are not in fact designed to inflict blows—they are too long to do so efficiently. That soldiers who use them for beatings reflects their lack of training. The well-trained Border Police use them to push crowds back.

The lack of police training for soldiers has led to numerous instances where soldiers had to shoot their way out of a threatening mob, causing casualties and fatalities to the demonstrators. Although the Border Police do carry firearms, they are seldom forced to use them.

This is demonstrated by the surprisingly low number of casualties in East Jerusalem riots where police have handled disturbances no less severe than riots in other places where soldiers caused extensive casualties.

The age of the commanding officers is also a factor. Police officers are usually far older than army officers in corresponding ranks, and it can be assumed that an older, more experienced commander will judge a dangerous situation far more calmly than a 20-year-old army lieutenant.

The Border Police are divided into small teams, usually driving fast jeeps having efficient radio communication with superior officers. In contrast to the army, whose combat units are built around huge command and administration apparatuses, the Border Police is a surprisingly lean operation in which quicker decisions can be made in small crisis situations, such as a demonstration by unarmed participants.

The IDF is known for the great freedom in decision-making it gives mid-level officers on the battlefield. This development of initiative has brought the army some of its greatest victories—led, in some cases, by sergeants who took command. This advantage, however, became a disadvantage during the intifadah, when young, inexperienced officers faced confrontations of a type they were untrained for.

Border Police training in the laws of handling riots is much more intensive than that received by IDF soldiers. In addition, the fact that the techniques of criminal investigation are well known to these policemen should help military courts rely less on confessions than on hard evidence when trying suspects.

All parties to the dispute may benefit from the Border Police's entrance into Gaza. Perhaps now there will be fewer civilian casualties among unarmed rioters, and the army will be able to return to its main objective, which is training to win a real war.

Youth Discuss Psychological Aspects of Occupation

44230063 Tel Aviv DAVAR in Hebrew
27 Jan 89 pp 4, 5, 7

[Article by Ya'el Fishbein: "A Cynic Had Carved 'End the Occupation' on the Club They Used to Beat the Arabs With"]

[Text] Yuval Levy, 25, from Kibbutz Manara, coordinator of the Haifa district branch of No'ar Ha'oved [Working Youth], has for months been trying to forget the incidents of maltreatment of Arab prisoners that he witnessed in Gaza during his reserve service there a few months ago. On the occasion of an information day devoted to the issue "What the Occupation is Doing to Both Sides?" which was attended by some 600 "communers" (instructors who have not yet served in the IDF [Israel Defense Force] or are members of the Pioneer Fighting Youth [NAHAL]), most of them belonging to the No'ar Ha'oved, his repression mechanism was blown apart:

"I am repressing this, I definitely am, I don't know what to do, I definitely don't know what to do. I am a prisoner to my education and I find it difficult to refuse to serve in the territories. I cannot refuse. Cannot. I know that I have red stripes. I am aware that if I were to receive transfer orders, I would refuse. I would go underground with some other friends, or I would leave the country. In my worst nightmares I never dreamt that, as an IDF soldier, I would hold a club in my hands and use it to break legs. I never dreamt that I would see men from my own NAHAL company doing such things. I talked about it with my family and with friends in the kibbutz. They were stunned by what I told them, but then everybody returned to their daily routine.

"I serve in the NAHAL. Last time I went on active reserve duty it was in the Gaza area. That was the first time that my company served there. We walked around town and the al-Shati' refugee camp because we had to enforce the curfew. That was the first time that I saw a refugee camp. The first shock was the smell. A heavy stench emanated from the piles of garbage in front of the houses. They are under curfew for days on end, so they throw the garbage in the streets. Once in a while a door opens and you see a hand spilling a bucket of garbage into the street. Then there was the sand, all grey from burnt tires. And then there are the hatred-filled eyes.

"The company is made up of kibbutz members, relatively normal people, but you have your beasts everywhere. We usually managed to keep people under control, but a few times we did not.

There is one clash I remember. It was around 1830 or 1900 hours. We were changing the guard and patrolling the area. Precisely in the overlap spot between Shaykh Radwan and Jabalya, we saw a burning tire. There is a standard procedure for such cases. We knock on the doors of several houses in the neighborhood, collect identity cards from people, and do not return them until they extinguish the fire.

"The youths who had started the burning tire were within shouting distance from us. We are a NAHAL company and they knew it, so they began shouting something like 'six zero,' alluding to the defeat that the NAHAL suffered on the Gliders Night. The men started getting hot under the collar and began to chase after them. The Arabs were fast on their feet and knew all the alleys, so we didn't catch them. And because we didn't manage to catch the Arabs who had burned the tire, we seized five or six other Arabs who just happened to be there, passers by, or people who were driving by. They were stood in a row, handcuffed with their hands at the back, and the company commander ordered us to beat them up a bit, load them on the vehicle, and bring them to the administration house. And then, what usually happens in such cases, happened: some men are hot tempered, they have rightist ideas, and they like to beat up people, and some are like me, with a different

education and capable of self-restraint. The hot-tempered ones beat up the Arabs, enjoyed it actually, hit them in the kneecaps and the elbows, although it was quite clear that they were not the ones who started the burning tire. A few other kibbutzniks and I begged the company commander to release the Arabs, since it was clear that they had nothing to do with the burning tire. We really implored him, but it did no good. He refused to let them go. I didn't participate in the beating, although I was excited myself. One can refuse to beat up people, one does not have to beat up, nothing happens to you if you refuse to beat up on them in such cases. I couldn't stand to watch innocent people being beaten up, so some other good men and I placed ourselves between the detainees and our men, whom we tried to calm down and keep away from the detainees. We didn't actually fight, just pushed them away from the detainees so they wouldn't hit them so hard.

"Among the clubs we had received were some on which some cynic had written 'End the Occupation,' and those were used to hit the Arabs with. It is true that the men had really been aroused, but it was still terrible, because it was clear that they were beating up innocent people. It was cruelty for its own sake, which served only the purpose of exorcising anger without any relevance to the incident itself. And then there were our pleas to the commanding officer to give the order to stop the beating, his refusal, and our helplessness. In the end he agreed to release some of them, while the others were arrested and sent to the administration house. I don't know what happened to them afterward. The commanding officer said they would receive their identity cards back after they paid a lot of money to redeem them."

At this point Yuval stopped the flow of his story, which came out with great restraint, and looked pensively toward the green lawns of the "Af-'Al" training center and the peaceful houses against whose background his story sounded like somebody else's nightmare. I asked him whether he had cried then, in that intervention between the beaten detainees and his violent friends. He said he had not. I asked him why he had not lodged a complaint, to which he answered that there was no sense in it. That was his last day of active duty and he was eager to go home.

"In this area it is quite clear that some men can be ordered to beat up people, and some refuse to do so."

After a few moments of thinking, Yuval remembered something that had happened at Shaykh Radwan the same morning: "I was sitting at a roadblock. Nobody was going into the camp or coming out. All of a sudden these two detainees, 17 or 18 years old, who had violated the curfew, showed up. What does that mean, 'violated the curfew'? They are shut up in their houses for days on end, with children, sometimes they run out of pita bread, so they go out to bring bread, and that's when we seize them. This particular time, two were caught. Since all the detention facilities were filled to capacity, we had been

ordered to take away their identity cards, blindfold them, put handcuffs on their hands and feet, drive them to the beach, and there give them an awful beating. The order definitely said to give them an awful beating. The company commanding officer made it clear that the order came from high up because all the detention facilities were full. An awful beating means breaking bones, it means that one can hit anywhere except the head. No one dared to stand up to the company commander and say he wasn't going to carry out the order, but both he and we knew that there were men who would refuse to do it. Although it is not discussed, in the field it is known that some people are ready to administer beatings and are even glad to do it, and some are not. I am not talking about cases of clashes or incendiary bombs, I am talking about detainees who are already tied up and that there is no legal justification for beating up. I will give you an example: We had two or three patrol vehicles in Shaykh Radwan, but in order to find the men to carry out that order, they had to call up all of them and change places to ensure that all those who were prepared to carry out the order sat in the same vehicle. The two detainees were hit in every method even before they were loaded on the vehicle. There are two methods for beating up people. One consists of raising the arm and hitting, and the other of forcefully pushing the club into the body. The Arabs were hit both ways. And how do you think a tied up man is loaded on a vehicle? He is hit with the club until he writhes and somehow crawls up. The two detainees were taken away and I assume that they received a few club blows still on the way, and then had their bones properly broken on the beach. When they returned from the beach there were already two other detainees at the roadblock, and the order was to give them, too, an awful beating and unload them on the beach. They went to the beach, but something unexpected happened there. Some distance from the beach there are Arab houses. The Arabs had probably seen what had happened to the detainees, and when the vehicle came to the same spot the second time, some 100 men were there waiting to lynch our men, so that they had to run for their lives."

Once again Yuval fell silent. It was obvious that his memories were painful to him. When I asked him why he didn't rebel at the time against the abuse of the detainees, immediately after the event, he answered: "All I wanted was to get away from it, to suppress it. I was not prepared for what happened there. Besides, in today's IDF, who says that anyone would have listened to me? In the present conditions, such cases are whitewashed. They appear unimportant. And even if there had been an investigation, who says that they would have believed me and not the commanding officer, who would certainly have denied everything?"

He then remembered another event in the al-Shati' refugee camp. On one patrol mission they spotted a 20 year old man who was violating the curfew, chased after him, and caught him. The man was so scared, he wet his pants. He yelled, pleaded to be left alone, but nothing

helped. They kicked him, hit him, and by the time a vehicle arrived to take him to the administration house he was already all swollen up. Yuval and his friends saw him return at noon with a limp, all black and blue and swollen from the beatings. It was not clear whether he had been beaten up inside the administration house or on the way there, but what was clear was that it was another case of maltreatment of a helpless man. Yuval still remembered the reactions of his company comrades: Some, like him, were shaken by the sight of the man limping back to the refugee camp, while others, the more violent and more extreme in their views, smiled with satisfaction.

"I think that in the reality of today it must be clear that as long as there is no political solution, someone should prepare the men for what is happening there. Not that I believe that one can really prepare young men for service in the territories, but they must know what awaits them. Perhaps they should be taken on tours of the refugee camps, so they can smell the stench of thousands of people shut up in houses for days on end. They should see the sand, grey from burnt tires, and the eyes filled with hatred that follow them from the moment they enter the Gaza Strip. Actually, that is not a good idea; if such tours existed, they would be surrounded by army so they would not see anything. But something has to be done. Not along the lines of the drivel they hear on IDF preparatory classes, but real stories about what happens in the field. They should hear the truth, and then perhaps the saner among them would be able to stand up against incidents similar to those I witnessed.

"There was nothing to prepare me for the shock. I live in Manara, on the northern border, where each and every month there are attempts to cross into Israel, when all the kibbutz members, myself included, go out to chase after them. I suddenly found myself chasing after children who were shouting slogans or burning tires. I was forced to face the ugly reality of the refugee camps which, according to my education, I should have used force only to evacuate to more adequate housing, not to break their bones. That, at least, is what my conscience dictates.

"Nevertheless, I cannot refuse to serve in the territories. For example, next month my company is going on active duty in Nabulus. I just finished a course, so I am exempted from that tour of duty, but since I know that my comrades are going to be miserable, I cannot be happy that I'm not with them. It won't help, I feel that I must be with them."

At the "Af-'Al" meeting some communers talked about methods that "good men" use to avoid serving in the territories. Some view 1 year of service as youth movement instructors as a good method to postpone their military service, in the hope that a political solution would have been reached by the time they are called up. Others go studying or traveling abroad. It was pointed out to me that the travel fad to the Far East and South America began after the Lebanon War, when hundreds

and thousands of young men felt at odds with the service. Refusing to serve was not discussed at "Af-'Al". Like Yuval, most of the No'ar Ha'oved communers do not want to or cannot bring themselves to refuse to serve. However, the issue of refusing does come up among them, too, although the No'ar Ha'oved policy is against it.

Pesah Hauspeter, coordinator of the training department of the No'ar Ha'oved, a member of the Kibbutz Malkiya, told us about one of his trainees, who recently called him up to ask his advice about refusing to go to officers school: "He had serious doubts about becoming an officer. He said something like: 'Isn't it enough that I have to participate in this business in the territories as a simple soldier?' And he is one of the good boys, this one. One of the best. I instinctively wanted to tell him to go to officers school. However, as we were talking, I grasped how genuine the dilemma was, and those who ignore or deny it are simply lying. We are talking here about matters of concern for national security. We were raised to struggle about each step and each decision. Our education itself consists of struggle, and the problem is that one cannot remain faithful to the values into which one was raised and at the same time serve in the territories and be a participant in things that are in fact crimes. Despite all that, I told him to go to officers school in order to be into things and have an impact from inside." Pesah and his friends claim that more than a few men suffer under this struggle. The grave impression made by service in the territories does not fade away without leaving marks. Pesah published in Malkiya's newspaper very disturbing photographs from his reserve duty in Gaza. For example, the arrest of children described as "inciters," children not older than 8, 9, or 13, who were brought to the camp after the "Mazhir" action was carried out in one of the villages; a serious emotional conflict with men shown grilling steaks and stuffing themselves while a 13 year old boy was lying in one corner of the tent blindfolded and with his hands and feet tied up. The question that continued to bother him was, "What will I tell my children when they ask me where I was and what I did when..."

On the eve of the outbreak of the intifadah [uprising], the training center of the No'ar Ha'oved brought out a special textbook called "The Occupation, Ourselves, and What Next?" bound in black and featuring a map of Greater Israel in white, and on it a big question mark. Inside there were many articles and pieces of information demonstrating that the occupation does not settle well with the values of the movement. A second edition of the book was recently published, in which, on the first page, Ovadya Tzur, the chairman of the movement's education and training department, wrote: "Before the intifadah, the protracted occupation had etched deep and irreversible wrinkles and scars on the face of the Jewish state. Now, after the intifadah and the failing attempts to repress it, the face of the Jewish state has been utterly disfigured. New pages are daily written in

Palestinian history in blood and stones. Bereaved Palestinian mothers, like ours, are mourning their sons, widows are mourning their husbands, and orphans their fathers. Among them, too, there is desperate struggle and patriotism. What they view as liberation from foreign oppression, we view as terrorism. That is the tragedy of our two nations, and that is why we are using different terminology. What they view as shaking off the Jewish rule, we view as 'riots and disturbance of the peace,' their freedom fighters are terrorists to us. The Arabs in the territories 'find their death' in the language of official reports, as if they had been looking for it in the alleys of the Kasbah, while attacks on Jews are viewed as murders. They call inciters and disturbers of the peace heroic leaders who pay a heavy price for their activities. Stone-throwing children and rioters are viewed as the future of the Palestinian state, while we view them as criminals who must be punished... This is our one and only state, let us fiercely preserve it from being destroyed by fanatics in their mad love."

Ovadia, 40, expected the "Af-'Al" meeting to elicit wide reactions, to arouse trainees, and to awaken the slumbering public, but that did not happen. The public raised one eyebrow and unfeelingly skimmed over the suffering of "our troops" in the territories, too. As one of the communers said to me: "There are perhaps a few thousand men who carry the burden of the intifadah. Aside from them, the people of Israel don't care about what is happening in the territories."

The young men who have not experienced service in the territories are afraid of the "Af-'Al" gatherings and of "The Occupation, Ourselves, and What Next?" It is clear that questions such as: Where is the red line between obedience and refusal to carry out an order that is believed to be illegal? At what point should one stop and refuse to "break their bones?" Is it right to refuse to serve as an officer in the territories? are not asked merely by a handful of leftists. They preoccupy the communers of the No'ar Ha'oved and other pioneer youth movements. A tiny poll that I conducted among the young communers showed that most of them recoil from serving in the territories.

Ilan Segal, 19, from Kibbutz Mefalesim: "I would prefer to serve in a branch that will not bring me to duty in the territories. Maybe I'll be accepted into the air force, then I can see everything from above."

Ilan Kohen, 19, from Kibbutz Ayelet Hashahar: "I am very apprehensive, very much afraid. I wouldn't want to be put into a situation to have to struggle with what I read in the paper. My sense of morality is working overtime. I was raised not to use force. No one is preparing us for dealing with children and rioters. I am the little man in all this, I have no say on big decisions, and when I go to the army I will be one of the ranks. I feel helpless about the situation in the territories, and that is what we all feel, we feel that there is nothing of practical impact that we can do about those things."

Li'or Lapid, Kibbutz Daverat: "At the summer vacation seminar they talked about doing 1 year of service in the No'ar Ha'oved in order to postpone service in the territories. The subject of the intifadah is repressed. It is a subject that is difficult to deal with."

JORDAN

Revamping of Arab League Required
44000443 JORDAN TIMES in English
23-24 Mar 89 p 4

[Editorial: "At 44, Arab League Requires Face-Lift"]

[Text] The Arab League's 44th anniversary which fell on Wednesday should have been an occasion to spell out operational ideas on how to invigorate this Arab organisation. That the League as presently constituted leaves much to be desired is an understatement. Unfortunately the Arab League has been left by its member states to atrophy the years to the point that has rendered it less relevant than ever in the conduct of inter-Arab relations. In more than one way, this benign neglect of the Arab League has rendered it impotent in dealing not only with crises and conflicts between the Arab World and foreign powers but also in dealing with inter-Arab disputes.

In this vein, the Arab League submits, and rightly so, that the League is what the Arab states would want it to be, nothing more and nothing else. Some Arab states would demur and argue that over and above the proposition that the Arab League is an accurate reflection of what its members want to be, the League itself can do a lot more to become more potent and relevant in dealing with issues affecting the Arab countries and their peoples. It has been suggested many times in this context that even under the prevailing conditions, the Arab League has the potential to become much more dynamic in addressing subjects affecting the Arab World. That is why one would have thought that an occasion like the 44th anniversary of the League would have been a propitious occasion to announce new measures that would render the Arab League more forceful and meaningful in its ways within and without the Arab member states.

For example, the Arab League can save much needed funds by closing down several of its offices in capitals where there is ample presence of Arab embassies. It is a common knowledge that where there are sufficient number of Arab diplomats, there is really no need for an Arab League secretariat to organise meetings between them. Its presence in such capital is truly redundant. This has been amply proven in capitals like Ankara where the Arab diplomatic community was able to conduct its inter-Arab functions and diplomatic missions just as well without the benefit of an Arab League bureaucracy. The Arab League would be better advised to spend its meager resources in other avenues where it stand to reap much more tangible results. The main Arab League secretariat in Tunis can use new blood in the form of proficient

Arab experts in different fields in order to render the head office more efficient and dynamic. The Arab World does not need just an Arab civil servants force which is not sufficiently motivated or versed in matters that are of great interest to the Arab World. There must be, therefore, more turn over in senior personnel to allow opportunities for younger people with new perspectives and ideas. Otherwise the Arab League would become a rather fossilised creature geared only to serve fossilised ideas and perspectives.

To be sure there are many other avenues open to the Arab League to rectify its course and amend its ways. The best way is to form an inter-Arab committee of experts to deal with this task of revamping the Arab League from head to toe. The 44th anniversary of the Arab League could have been just the occasion to announced the formation of such a committee.

KUWAIT

Defense Minister Calls for Formation of Arab Defense Council

44040351 Kuwait AL-WATAN in Arabic 21 Mar 89 p 5

[Report on interview with Minister of Defense Shaykh Nawwaf al-Ahmad al-Jabir Article by Hisham al-Diwan: "Minister of Defense to AL-WATAN: Gulf Situation Is Not Reassuring; What Is Required Is Arab Defense Council and Revival of Joint Charter; Principle of Forming Reserve Brigade of Recruits Approved; Implementation Requires Some Time"; date and place not given]

[Text] Shaykh Nawwaf al-Ahmad al-Jabir, the minister of defense, has called for re-enacting the Arab joint defense charter and has said that the Arabs have no option but to unite ranks and to form an Arab international lobby to confront the challenges facing their present and future. In his interview with AL-WATAN, the minister revealed that he has called for studying the possibility of creating an Arab defense council and that this question is being currently studied in consultation with the other Arab countries through preparatory conferences or meetings at the level of chiefs of staff.

Shaykh Nawwaf al-Ahmad has also expressed his conviction that it is possible to establish a joint Arab defense cooperation at the desired level and that it is necessary that the Arab countries agree on united positions vis-a-vis the main issues that concern them or the world.

The minister said that the disagreement of one or two countries with Arab consensus should not pose an obstacle to proceeding with the joint Arab political, security, or defense action and that this action can be confined to the majority. The minister of defense welcomed creation of the Arab Cooperation Council, which includes Iraq, Egypt, Jordan, and North Yemen. He also welcomed the Arab Maghreb Union, which includes Libya, Algeria, Tunisia, Morocco, and Mauritania. He said that good will and sincere intentions are the condition for the

success and the basis for any step of this kind. The minister also expressed the hope that these groupings and councils will later contribute to strengthening the Arab League, bolstering its march and providing the best opportunities for the success of its missions on the path of achieving the objectives for which the League was created so that this League may not turn into a name without substance.

Shaykh al-Nawwaf said the Arabs must learn from their experiences and the experiences of others and must cast aside all marginal disagreements and problems on the path of cooperation and unity. The world respects only strong nations, united by their resolutions, positions, programs, and plans. There is no longer any place for the weak. I am confident that neither Israel nor those who stand behind it can stir any event harmful to the Arabs if the Arabs rally and form a single and unfragmented unit.

The defense minister urged the Lebanese to take advantage of the opportunities and offers made by the Six-Member Committee to achieve Lebanon's security and stability and to preserve its unity. He said that the other side [not further specified] must respond to the committee's efforts with whatever is required by the situation because what is happening in Lebanon is sinful, regrettable, and sad. There is nothing more to be said about the tragic developments throughout the past and current years. The minister also said that the chances for peace continue to exist and that the situation requires renunciation of the causes that led to the outbreak of the war and to the proliferation of chaos.

The minister of defense then touched on the Gulf situation, saying that Iraq's and Iran's delay in agreeing to a comprehensive settlement and in concluding a peace treaty in cooperation with the other Arab Gulf states is not reassuring, causes fears and caution to persist, and obstructs peace plans and projects. He also said that the two countries should display greater flexibility toward the requirements of a just peace. We are confident that UN Security Council Resolution 598 offers the best solution to the crisis, ends the armed conflict, and turns a new leaf between the two warring countries and all the states overlooking the Gulf. The minister revealed that the ministry's authorities concerned have completed a study on forming a reserve brigade of recruits. But he said that the plan's executive details need some time to be implemented. This is in addition to buildings, installations, and special technical and military equipment needed for the brigade. Generally, we are in no hurry in this regard.

The minister added that the ministry is continuing with its plan to modify the duration of studies at the military academy, making it 3 and 1/2 years as of next year. The service and promotion regulations connected with this step and concerning the graduate students have been amended and made compatible with the step.

The minister noted that the ministry is currently studying a number of plans to realize an ambition embodied in organizing higher military academic courses to grant Kuwaiti officers the rank of staff officers. He said that the ministry hopes to realize this ambition shortly. He also lauded the level of cooperation existing between Kuwait University and the military academy in the area of scientific curricula for students and officers.

He further said that Kuwait embraces a clear and well-known policy in the area of acquiring the weapons it needs and that the country selects those weapons compatible with the capabilities of its units in light of the developments and changes that occur from time to time. Consequently, Kuwait constantly receives offers for the latest weapons turned out by the major producing countries. The visit which the British secretary of military purchases [title as published] made to the country 2 days ago and his talks with high-ranking officials of the Ministry of Defense and of the Army Chief of Staff fall within this framework and within the framework of discussions on armament cooperation issues and accompanying programs, activities and timetables concerning the studies, and preparations and delivery of equipment for whose purchase contracts are concluded.

Regarding the foreign visits he will make in response to invitations from his counterparts in a number of Arab and friendly countries, the minister said that he has a certain visualization on this issue. He also expressed his happiness with the visit he plans to make to Cairo but said that its time has not come and that its date has not been set yet.

Acquisition of Iraqi Water Discussed

44040317B Kuwait AL-MUJTAMA' in Arabic
7 Mar 89 pp 12-14

[By Hamd al-Ibrahim]

[Text] Dr Hammud al-Ruqbah, minister of electricity and water, will begin a visit to the Republic of Iraq during the coming days. Discussions during his visit will focus basically on the old, yet new project to bring fresh water from the Iraqi rivers to Kuwait.

According to information that the minister provided in a press release, the visit will also include discussion of another project involving linking the electrical networks of the two countries.

The minister's visit to Iraq and his discussions about acquiring water come after the end of the Iraq-Iran War and stabilization of conditions in the region. This has provided an opportunity to revive this vital, old project. If it is completed, Kuwait will achieve a serviceable solution to the problem of fresh water scarcity, a fundamental problem in a country like Kuwait.

Water, an Old Kuwaiti Problem

Kuwait has always suffered from this problem. From the point of view of nature, there are no rivers or lakes. The only natural sources of water are some wells scattered north and west of Kuwait, in the areas of Umm al-'Aysh, al-Rawdatayn, and Umm Qadir. The 1986 yield of this group of wells was about 100,000 cubic meters.

As long as 3 decades ago, Kuwait was forced to construct a number of plants to desalinize sea water. The five currently existing plants are producing no more than 500,000 cubic meters a day. Their maximum capacity is about 1 million cubic meters a day.

All these quantities of water available in Kuwait are considered small by all general standards. At the present time, most of this water is used for the purposes of everyday life and various public services. Some of it goes for industrial purposes or for agriculture, which is still limited in the country.

Figures indicate the high cost of every drop of water in Kuwait. A cubic meter of fresh water costs 900 fils to distill, store, and transport. The government sells it to the citizen at less than 200 fils.

Thus, any economic project in Kuwait, whether industrial or agricultural, actually includes indirect costs borne by the government in the water bill, less than one-quarter of which is paid by the agricultural or industrial investor. A project may thus be successful at the investor level, but yield a loss at the level of the national economy.

This is perhaps the reason that causes the government to refrain from rushing into extensive agricultural projects or water-consuming industrial projects.

Kuwait must think seriously and quickly about the problem of fresh water, if it wishes to establish a real, "solid" economy that can be relied on for the progress and permanence of the state.

All states, whatever the nature of their economy, require water. Even if one wants Kuwait to be a service state, services, too, require a great deal of water. In Kuwait, they account for 47 percent of total water consumption. The government in Kuwait supports many services in a way that is not visible.

Proposed Alternatives

Kuwait has therefore considered a number of alternatives. One of these was to attempt to purify waste water sufficiently for use in irrigation. A number of such plants have been set up. At the present time, Kuwait produces about 75 million cubic meters a year, used for afforestation.

Another alternative that has been considered is the use of factory effluent water. This idea is under study. Part of the study has been carried out by the Institute for Scientific Studies, part of it by the College for Technological Studies.

The most prominent other alternative is to bring Shatt al-'Arab water to Kuwait. This is an old Kuwaiti dream. Kuwaitis have often wished to make the waters of the Shatt al-'Arab flow into their lands, instead of losing themselves in the waters of the Gulf.

This project has passed through many stages and has been subjected to many obstacles and delays.

Old Project

In 1954, the Kuwaiti government hired a foreign consulting firm to prepare a study of a project to transport Shatt al-'Arab water to Kuwait. The study confirmed the possibility of transporting the water and the importance of this for the future. The study estimated the appropriate quantity at 100 million imperial gallons a day for purposes of everyday life and agriculture. In the end, however, the project remained merely on paper.

In February 1964, Kuwait signed an agreement with Iraq to bring natural river water from Iraq to Kuwait. Kuwait then invited a number of consulting bureaus to prepare a new study of the project, the amount of water required, and the costs and manner of transport. Even at that time, the study indicated that the salinity of the Shatt al-'Arab would increase in time and that water would have to be drawn from north of the Shatt.

Again, however, no implementation steps took place.

In 1973, the subject was raised again during a Kuwaiti delegation's visit to Iraq. In May 1978, the first meeting of the water and electricity subcommittee of the joint Kuwaiti-Iraqi ministerial committee was held. At the meeting, the subject was discussed in detail. The amount of water desired was increased to 500 million gallons a day. The Iraqi side asked the Kuwaiti delegation to define Kuwait's water needs until the year 2000 in the areas of domestic use, landscaping, and experimental and production agricultural, as well as industrial requirements.

Discussions during the committee meeting proceeded to the issuance of a final agreement by Iraq on 10 July 1980 and the emergence of the final formulation of the project. However, war soon broke out and ended consideration of the entire project.

Implementation Steps Shortly

Now that conditions have again stabilized, the issue has been "warmed up" and revived. Many new details will become clear after Dr Hammud al-Ruqbah's visit to Baghdad.

In his newspaper interview, the minister indicated that the agreement was to supply Kuwait with 500 million gallons a day as a first stage: 150 million gallons of low-salinity water suitable for agricultural irrigation to be drawn from the al-Maharithah area in the Shatt al-'Arab, and the remaining 350 million gallons to be drawn from the Tigris River.

The water will be transported in underground and surface pipes stretching about 200 km to the Kuwaiti border.

Dr al-Ruqbah estimated the cost at about 300 million dinars. He explained that the ministry will work to invite bids for the project shortly, in light of discussions with Iraqi officials.

Is Iraqi Water a Final Solution?

Kuwait, represented by the Ministry of Electricity, appears more optimistic and hopeful about implementing the project this time. We all also feel optimistic.

But will this project bring about Kuwait's final solution of the water problem?

One may answer in the affirmative, if one is talking about water used for purposes of everyday living. However, one must pause to consider the other aspects of consumption (agriculture and industry).

The minister's statement indicates that the Iraqi water to be drawn will include 150 million gallons a day for agricultural purposes. This, by technical measurement, is not sufficient to irrigate the present 6,000 hectares of agricultural land, apart from the desired future expansion of agriculture. The same can be said for industrial projects.

But in any case, the Iraqi water will solve a large part of the present water scarcity problem and will encourage agricultural and industrial expansion in coming years.

Another measurement of the plan deserves to be completed. Despite the minister's refusal to link the water project and the project to link electrical networks, part of the concept is still for Kuwait to undertake the supplying of electrical power to parts of southern Iraq.

The measurement involves comparing the cost of the electrical power to be provided and the cost of producing more fresh water by distillation plants. If the difference in cost is small, other noneconomic considerations make it necessary to rest content with the distillation method to which Kuwait has become accustomed.

Finally, it should be indicated that the project of acquiring Iraqi river water has faced many obstacles in the past. We hope these will not recur in the present attempt.

One of the studies of the future predicted that it would be difficult to carry out the water project, even within the coming decade. Nevertheless, the field remains open to optimism and hope that the Kuwaiti and Iraqi governments will be able to reach a final agreement to complete the project and remove all the obstacles that previously prevented its achievement.

Investment in Eastern Europe, China Discussed
44040318 Kuwait AL-WATAN in Arabic 21 Feb 89 p 11

[Text] Mr Fahd al-Rashid, an appointed member of the General Investment Authority's Board of Directors, said that Kuwait was considering participating in projects in Yugoslavia, Bulgaria and Hungary as a result of the more liberal economic policies which these countries are pursuing.

Al-Rashid told REUTERS that Kuwait thinks investment opportunities in Western Europe will grow when European markets become unified after 1992. He said Kuwait also thinks that an opportunity did exist for the continued growth of investments in the Orient's flourishing economies.

Mr al-Rashid added that Eastern Bloc countries and the People's Republic of China were starting to emerge as candidates or possible candidates for Kuwaiti investments.

Al-Rashid said, "Some of these countries are still in the process of developing an integrated framework for controlling foreign investments. But Kuwait expects these countries ultimately to set up a climate that would encourage investments.

"The General Investment Authority invested large sums of money which, according to some bankers' estimates, amount to approximately \$80 billion. This money, which comes from surplus oil returns, is invested basically in stocks and bonds and real estate in the West and in Japan.

"So far, financial transactions with socialist countries were almost limited to loans which were being offered to the Soviet Union, to East Germany and to growing projects in China."

The General Investment Authority shocked Britain last year when its Kuwaiti Investment Office, which is located in London, acquired a 21.6 percent share of British Petroleum Company, the largest oil company in Britain.

Kuwait's Investment Office subsequently sold more than half its share of the company's stock after the committee on monopolies decided that the office's holdings in the company constituted a possible threat to British interests.

Al-Rashid said, "The fact that Kuwait is looking for new geographical areas for its investments does not mean that Kuwait is dissatisfied with the West. Kuwait's search for these new areas is being conducted to implement an investment diversification policy which Kuwait has been pursuing for a long time."

Joint projects with western partners in the countries of eastern Europe constitute an increasingly appealing factor for investing in those countries. This is a result of reforms which were carried out in those countries to encourage foreign investments.

"But Kuwait will proceed with caution in that regard," said al-Rashid, "to ensure a commercial return on investments."

Al-Rashid added that Kuwaiti investments in western Europe could have declined if the European Community had not decided to remove trade barriers between the European countries by 1992. He said the change which will occur in 1992 will, at the very least, enable Europe to maintain its importance in any investment worldwide.

Al-Rashid said, "The tendency in the Pacific region and in Asia as a whole to liberalize economic policies and to make the economy dynamic is likely to increase Kuwaiti investments there. Besides, the availability of natural resources in those areas and the steps which are being taken there to bring about economic integration are factors which are likely to increase Kuwaiti investments in those areas." He added, "A regulatory review has been conducted of the authority's operations and policies and of the standards which have been set or which will be set by the authority's board of directors and by the committees created by that board."

Al-Rashid said that the purpose of this review was to improve performance, to establish clearer guidelines, and to set up new standards for Kuwait's investment policies.

QATAR

Marketing of Petroleum, Gas Discussed
44040246 Doha AL-RAYAH in Arabic 11 Jan 89 p 3

[Excerpts] At nine o'clock yesterday morning in the Doha Sheraton, Dr Jabir 'Abd-al-Hadi al-Murri, director general of the Qatar General Petroleum Organization [QGPO] opened the twelfth meeting of the council of marketing directors of national petroleum companies which included liquified petroleum gas officials from the GCC [Gulf Cooperation Council] countries in the framework of periodic meetings organized by the GCC General Secretariat. [passage omitted]

Dr al-Murri emphasized, "Today's world, with its conflicts, competition, and opposing interests forces us to enter the arena cooperating, shoulder to shoulder, and pursuing a unified policy to the degree possible in order to strengthen the positions of the national companies of the GCC countries.

"The exchange of information and expertise is the ideal means of preserving joint expectations for the future in order to market Gulf products in a way that serves the common interest of the GCC countries." Dr al-Murri concluded by wishing the conferees success and expressing his hope that they would produce decisions and recommendations that would strengthen the national economy of each of the GCC countries and lead to the best use of the riches with which God has blessed these countries.

Yesterday's meetings also included a general review of the liquified petroleum gas market from the second half of 1988 to the end of the first half of 1989, a discussion of certain producing countries' experience with direct sales to the American market on a net yield basis, as well as a discussion and exchange of information illustrating actual and expected production for 1988-89, actual exports for 1988, and expected exports for the current year.

The gas pricing system followed by the Gulf countries, which indexes the prices of liquified petroleum gas to its uses in the importing countries, the bilateral pricing system, and the yield pricing system were also discussed.

On a different subject, the conferees discussed the position of some Japanese companies with regard to liquified petroleum gas pricing in view of their contracts to import Indonesian liquified petroleum gas.

The meeting also dealt with new or expanded gas projects in the Gulf area and worldwide, the effect these projects would have on markets, particularly the development project for the first stage of the northern field (Qatar), the ASKA [Alaska Bancorporation] project to export liquified petroleum gas to Japan, gas projects in Iran and Iraq, and the expansion of existing installations in Bahrain, and several other subjects.

In connection with the meeting, which concludes today, AL-RAYAH met with several marketing directors from GCC countries, who spoke about the positive aspects of coordination meetings, the future of the oil market, and the role gulf cadres play in managing the marketing of petroleum organization products.

Ibrahim Nuh, director of the marketing and transport department of QGPO, said: [passage omitted]

"In order to obtain new markets, we must rely on the efforts of each national company, on meetings such as this which seek to coordinate and exchange views on new

markets and conditions for entering these markets, and on the exchange of ideas on certain markets where we have competition from other producers."

"We have a balanced pricing policy, which in itself helps us to open up new markets, as well as to put Gulf products in a favorable competitive position with respect to products from non-GCC countries."

With regard to the direction Japan is taking and its reliance on Gulf markets for oil, Mr Nuh said, "Japan cannot do without the GCC countries specifically, or Middle Eastern countries in general, since their reserves are large and they are stable and flexible compared with other countries.

"We must be aware that production capabilities have entered and will enter the market in the near future. GCC countries must take this into account in order to use the element of competition and to guarantee that the products of Gulf national companies are in a favorable position in the petroleum products market."

Rashid Bin Khalid al-Barwani from Oman said, "These meetings are quite beneficial from the standpoint of coordinating positions. They yield good results and offer a forum in which to put forth ideas and to coordinate among brothers, the effect of which is positive for the marketing of Gulf products.

"Oman is witnessing expanding petroleum production, with great efforts going into exploration. The discovery of large quantities of oil was announced recently."

"We are always trying to discover new markets and are trying to expand marketing to more than one region, Southeast Asia in particular, where there are good marketing opportunities."

"Omani cadres are totally in charge of marketing, and there is an integrated policy to have Omani employees that is working well. It is believed that the ultimate goals will be achieved shortly." [passage omitted]

'Adil al-Mu'ayyid, member of the Bahraini delegation, said, "This meeting in Doha is a follow up to several meetings held by the GCC countries and is aimed primarily at creating a relationship of coordination in order to boost the level of marketing activity among these countries in the field of petroleum products, marketing these products abroad, and all export questions.

"We hope that through this meeting we can improve the relationship of coordination among the member countries in order to find out what marketing capabilities the GCC countries possess and whether new markets can be created in which to market our petroleum products. We also hope to create pricing equations that reflect the current supply and demand relationship in the market.

"We will also review liquified gas and petroleum products issues in general and review decisions made in this regard.

"The conferees will also discuss supply and demand on the world market as they relate to petroleum raw materials and products, better exposure to marketing areas available in markets east of Suez, a study of each product in particular, and the details of forces that influence demand for these products. We hope that the member countries will take action in the near future to affect the direction of the market."

Muhammad 'Abd-al-Hamid al-Qasimi from Kuwait spoke about world oil market indicators for the first half of 1989: "The OPEC member countries are currently committed to limited production, which has had a positive psychological effect, particularly since Japan's opening up its oil import markets has greatly raised production prices. We expect these high prices to continue at least until the end of March if the countries' production commitment continues. [passage omitted]

SAUDI ARABIA

Financing of Djibouti-Tajourah Roadway Described

44000440 Jeddah ARAB NEWS in English
6 Mar 89 p 2

[Excerpt] Djibouti, March 5 (SPA)—The 134 (?kilometer)-long King Fahd road, to be opened tomorrow by President Hassan Gouled, has cost about \$33.7 million extended by Saudi Arabia. The road links Djibouti with Tajoura in the north of the country. Muhammad Ibn-'Abdallah Sughayyir, managing director of the Saudi Fund for Development, has been invited to participate in the inaugural ceremony.

Saudi Arabia has been extending assistance to Djibouti, an Arab Muslim country, ever since its independence from France on June 27, 1977. Saudi aid covers various economic and social activities, the Djibouti-Tajoura road being one of the most important and biggest projects the country has ever seen. The agreement for Saudi aid for this project was signed in 1982 and the work was completed on schedule.

The road links Djibouti, the capital of the east African republic, situated in the south with Tajoura in the north. Reaching Tajoura by land was almost impossible before the implementation of this project.

Cost of Living Increase Recorded in 1988

44000439 Jeddah ARAB NEWS in English
16 Mar 89 p 2

[Article by Doug Graham]

[Text] Riyadh, March 15—The Saudi cost of living index for middle-income households rose slightly during the first half of 1988, the Saudi Arabian Monetary Agency reported today.

The general index for Saudi and non-Saudi middle-income households rose to 91.6, based on 1983 prices, for the first quarter, and 92.1 for the second quarter of 1988. If this trend continues for the year, it will be the first annual rise since 1983.

Statistics compiled by SAMA show that prices for housing and transportation cost were responsible for most of the increase. Housing costs declined from 71.2 for 1987 to 67.4 in the first quarter of 1988. But for the second quarter, housing costs pushed the level to 76.6. For Saudi families, the price stayed at 68.2 dipping slightly in the second quarter. This indicates that housing costs for non-Saudis has risen at a much higher rate.

Prices of vehicles increased due to higher import duties on cars, as well as the generally higher prices because of the rise in the value of yen. Thus the yearly average for 1987 was 118.8, but for the first quarter of 1988, prices rose to 129.8, and in the second quarter to 131.7.

Interestingly, for five of the eight categories included in the survey, prices are lower than they were in 1983, the base year for calculating costs. Two are nearly the same, and only transport is exceptionally higher.

The cost of living index is compiled from regular surveys of Saudi and non-Saudi households.

The Kingdom's wholesale price index, meanwhile, showed mineral fuels, lubricants and related material remaining the same at 106.63 based upon a 1985 level of 100. However, most other categories showed increases. Food and live animals rose from 115.34 in the last quarter of 1987 to 124.96 for the second quarter of 1988. Beverage and tobacco prices rose slightly from 105.55 to 108.59 for the same period. Animal and vegetable fats and oils also experienced only a marginal increase, from 96.70 to 97.72. Manufactured goods rose from 105.01 to 116.60, machinery and transport equipment rose from 124.43 to 133.15. Miscellaneous manufactured articles rose from 120.19 to 122.92. Chemicals and related products rose from 106.17 to 129.18.

Ministry Lists Private Investment Incentives

44000438 Jeddah ARAB NEWS in English
22 Mar 89 p 2

[Text] Riyadh, March 21 (SPA)—The Industry and Electricity Ministry has prepared a summary of incentives available to the private sector operating in conversion industries. It covers lands, services, customs exemptions, company taxes, industrial loans, government preference of national products to procure its purchases, subsidies for the training of Saudi labor and customs protection.

The government has developed a number of industrial cities equipped with various means necessary for building factories. There are a number of new towns being prepared.

Plots of lands in these towns are given to owners of licensed industrial projects, in lieu of a nominal lease, at the rate of 0.08 riyal (eight halala) per square meter per annum.

In services, electricity has been supported by the government to reduce the price to KW/H 0.05 riyal (five halala) for industrial consumption and charges of water per cubic meter amount to 0.25 riyal (25 halala).

All Saudi companies, be they industrial or otherwise, enjoy a total exemption from all company taxes, but they are subject to zakat, a small Islamic tax computed on the basis of 2.5 percent of assets. Foreign companies pay an annual tax ranging between 25 and 45 percent of their profits.

With respect to industrial companies to which Saudi capital contributes at the rate of 25 percent or more, they are exempt from company tax for 10 years from the start of operation.

The Saudi Industrial Development Fund (SIDF) grants loans to industrial institutions amounting to 50 percent of the project's total cost. These are recovered within five to 10 years after a grace period of one to one and a half years from the beginning of production.

The fund does not charge any interest on these loans except for administrative fees that amount to 2.5 percent of each loan.

Moreover, the government gives priority to national products over foreign commodities while concluding purchase contracts. The ministry has issued recently a list of 379 national factories, spread over 11 industrial sectors that should be given priority in government purchases.

Contractors are prohibited from importing similar products. The list is issued from time to time.

On the other hand, the Ministry of Labor and Social Affairs has created a department of in-service training affairs to assist employers in their efforts geared toward the enhancement of the standard of the skills of their work force.

In collaboration with the ministries of industry and electricity and finance and national economy, it has issued rules governing payment of training subsidies to the industrial sector.

Types of training covered by the subsidy include in-service sessions organized by government departments that have relations with specialized industrial companies.

These rules also comprise the conditions that should be met for granting the subsidy, and the method of payment, whether the training is internally in-service, training in the vocational training center or externally on scholarship.

The ministry has prepared the foundations for the protection of national industries from unfair competition of similar commodities on the local market. These are as follows:

1. The production of industries to be protected shall be sufficient to cover a major portion of the local market requirements so that the increase of customs fees while the local production is insufficient will not be an unjustifiable burden on the consumers.

2. Local production shall be of an adequate degree of quality so that the consumer is not harmed.

3. The prices of the local produce are relatively higher than the sale price of the imported products on the local market, which is attributable to high production costs in the national industries.

4. The industry to be protected should have its importance in the overall national economy. This importance is measured by the following criteria:

- A. The value added to both the national product and national income.

- B. Work opportunities created by the industry, most particularly in the fields of training and employing the Saudi labor force.

- C. The volume of capital invested in the industry.

- D. Opportunities created by the industry for other complementary industries to emerge.

5. The validity of the proposed tariff shall be for a five-year period, and thereafter the old tariff shall apply.

6. In return for the protection given by the government to national industries, due consideration should be given to the interest of the consumer by directing the owners of local factories to price their products on the basis of actual production costs plus a reasonable revenue on the invested capital, provided that each industry shall endeavor to decrease its production costs until they reach the level of standard costs. The Ministry of Industry and Electricity shall monitor prices and the production quality so that an increase of customs duties on imported commodities shall not be a burden on the consumer while the owner of local factories realizes additional profits.

UNITED ARAB EMIRATES

Al-Tawilah Power Station To Begin Production *44000415 Abu Dhabi EMIRATES NEWS in English* *28 Feb 89 p 3*

[Article by Vimala Vasan: "Al Tawilah on Stream in Four Months"]

[Text] Abu Dhabi: The first phase of production at the al-Tawilah power station, one of the biggest in the region, will begin in four months time, Sa'id 'Atiq, Assistant Under Secretary of the Abu Dhabi Water and Electricity Department, WED, said here yesterday.

In an interview with EMIRATES NEWS, 'Atiq said that 20 million gallons of water and 250 mega watts of power would be produced daily during the first phase. This would help cover the requirements of Abu Dhabi city and suburbs for the next three to four years, 'Atiq said.

The second phase of the al-Tawilah plant, situated 90 kms from Abu Dhabi city, is presently under study, 'Atiq said. Tenders would be called for in three months time and when ready, it would ensure a daily production of 40 million gallons of water and 400 mega watts of power.

'Atiq said the Department was also planning to install a big power station between al-Mirfa' and al-Ruways with the approval of His Highness President Shaykh Zayid Ibn-Sultan al-Nahayyan and Crown Prince and Deputy Supreme Commander of the UAE Armed Forces, Shaykh Khalifah Ibn-Zayid. The station would supply a large number of villages and islands in the Abu Dhabi emirate.

The new station would have an initial production capacity of 6 million gallons of water which would go up to 20 million gallons and 100 mega watts of power which would go up to 250 mega watts, 'Atiq said.

Tendering for the new station would begin in two months time, he said. Hundreds of kilometres of overhead lines were also being planned as part of the second phase to link the new power station to the main grid at Abu Dhabi. This was however still under study by consultants, he added.

At present, 'Atiq said, many of the villages in the emirate up to 400 kms away from Abu Dhabi city like al Liwa', Madinat Zayid, Sila', Sir Bani Yas, Dalma, al-Mirfa' and Ghiyathi were supplied with electricity and water through local power stations and desalination plants. The newly proposed power station would go a long way to help inhabitants of these villages and was part of the plan of His Highness Shaykh Zayid Ibn-Sultan al-Nahayyan to serve the interests of the public and also make possible more afforestation in the emirate, he said.

A total of 80 million gallons of water per day was at present being supplied by the WED, 'Atiq said. He expressed concern, however, at the increasing demand for water in the capital, where supply is currently 47 million gallons a day. "The present charges of Dhs. 50 per month is inadequate in the circumstances," he said.

'Atiq stressed that installation of water meters would go a long way in curbing excessive consumption of water in the city. So far, forty percent of the residences had been fixed with water meters and by the onset of summer, nearly 70 percent of the buildings would be covered, he said. "Any consumer who failed to pay the charges indicated by their respective meters would have their supply disconnected," 'Atiq said, adding that this would ensure greater care in water consumption.

'Atiq appealed to the public to co-operate with the WED on curbing consumption of water. This would enable the Department to supply water throughout the day during summer months, he said. Hitherto, water supply during the summer used to be for only fixed hours every day, he pointed out. The demand was expected to go up to 55 million gallons a day in summer, he added.

A special unit is to be established to ensure proper installation of meters to receive complaints and to look into repair work like leakages and so on, 'Atiq said. The Department is also taking all out measures to complete the water network in the capital. Old pipes were being replaced with sturdier new pipes, he said.

'Atiq also praised the work of the Civil Security Fund, initiated in his Department and other local Government departments four years ago. The fund was becoming increasingly popular, he said, and was of great help to members in times of need. To become a member, an applicant had to pay a monthly fee of Dhs. 250. In the event of his death, his family would receive compensation of nearly Dhs. 45,000. Moreover, the member could also approach the fund for loans which would be granted without interest. Other assistance like purchase of air tickets for expatriate members or buying expensive household items would also be funded, he said. At present, the fund had around 4,000 members, he added.

PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

Official Provides Industrial Construction Statistics *44040260 Aden 14 UKTUBAR in Arabic 25 Jan 89 p 2*

[Text] The General Organization for Industrial Building and Construction carried out last year's 1988 plan at a cost of 5,029,000 dinars, while its expenses within the provinces of Aden and Hadramawt reached 4,517,000 dinars.

Comrade Sultan Ibn-Barik, the organization's deputy general director made the announcement to the newspaper, explaining that the present general plan is for

5,879,000 dinars. He added that the organization's costs from its establishment in 1988 until the closing of its accounts in 1988 amounted to 65 million dinars.

It is worthy of mention that the organization contributed 5 million dinars to support the national economy, in comparison to the nation's share of earnings realized in 1987.

The organization's general director asserted that the projects from 1988 until the present year have had a value of 3,896,000 dinars, while the new projects for the present year are valued at 1,983,000 dinars.

He added that among the projects which had been completed at the end of 1988 is the Ministry of Planning project, a part of the project of the Central Media Institute.

Among the difficulties, he pointed to the difficulties that the organization is facing which are reflected in the problem of paying off the loans owed by some of our comrades and some organizations which, at the end of the year 1988, amounted to approximately 3 million dinars.

Investment Allocations for Water, Electricity Projects

*44040252a Aden 14 UKTUBAR in Arabic
23 Jan 89 pp 1, 2*

[Text] Aden (ANA)—Investment allocations for electricity projects in 1989 total 21,915,000 dinars, which will be financed by personal, governmental and external resources. These investments will center on:

- The construction and operation of the third generator and the first desalination unit at the steam-driven station at Hiswah;
- The fifth generator at the electricity station in Wadi Hadramawt;
- An increase in the generating capacity of the (Rasad), Ahwar, and Mafud stations;
- The Soqotra electricity program;
- The 'Ataq electricity program;
- A number of other programs.

This was reported in a statement made to the Aden News Agency by Comrade Mahmud Muhammad Tarmum, the deputy minister for electricity and water affairs in the Ministry of Energy and Minerals. He indicated that with the implementation of these programs, the production of electrical energy in 1989 will total 765,000,000 kilowatts per hour, which represents an estimated increase of 12.8 percent over 1988. He added that the total combined amount of energy produced by electricity stations in the republic [in 1989] will be approximately 262.2 megawatts, which is an estimated increase of 14 percent compared to 1988.

Tarmum stated that 205 km of electricity lines will be provided in different governorates of the republic. These lines will comprise the start of the implementation of the electricity linkage program between the two halves of the nation. The increase in energy and electricity produced by this program will make possible an increase in consumption. Thus, industrial consumption will increase by 12 percent, agricultural consumption will increase by 18 percent, consumption by installations will increase by 12.5 percent and residential consumption will increase by 10 percent.

The comrade deputy minister stated that investment allocations for water projects in 1989, which total 13,876,000 dinars, will be distributed to rural water projects in different governorates of the republic. It is expected that many of these projects will be completed in 1989. Likewise, it is expected that 1989 will witness the start of the third phase of the large Aden water project, as well as water projects for (al-Makla), (al-Na'us), and (Makiras), and a total of 42 water projects provided for in the current general plan.

At the conclusion of his statement, Tarmum reported that the volume of water production in 1989 will total 53.1 million cubic meters, i.e., an estimated increase of 3.7 million cubic meters compared to 1988. This increase is attributed to the completion of large projects last year, including the water project for Saywun and neighboring areas, the first phase of the large water project for Aden, and the accelerated program to improve the water supply in (al-Makla).

AFGHANISTAN

Tribal Chief Says Afghan Government Must Represent Majority
46000130 Tehran KAYHAN INTERNATIONAL in
English 14 Mar 89 p 1

[Text] Islamabad, March 13 (IRNA)—The head of the Uzbek and Turkoman tribes in Afghanistan has termed the new provisional government as "illegal and exclusive."

Vakil Sirat Taleqani called on the foreign ministers meeting of the Islamic Conference Organization (ICO) to open in Riyadh, Monday, "not to recognize a government chosen by the 7-party alliance."

"We do not allow a few groups to run the government at the expense of the majority of Afghan Muslims," he told IRNA.

Taleqani said he had informed Sibqatollah Mojaddadi of the views of his tribes in a meeting before formation of the consultation council.

"We stressed that the council will have no result without presence of all groups of Muslim Afghans."

The Peshawar-based interim government is composed solely of some Pashto speaking tribes who have continued to dominate Afghanistan ever since it emerged as an independent state in the early 18th century on the ruins of the Safavid and Moghul empires.

The second largest ethnic group in Afghanistan are the Persian speaking Hazaras, who control large tracts of territory and their leadership based in Iran, has been by-passed by the 7-party alliance.

Besides, the landlocked country has several other ethnic groups such as the Uzbeks, Turkomans, and Tajiks whose representation is vital for a united Afghanistan, which unfortunately the interim government has unwittingly greatly damaged.

Turning to the Soviet-installed regime, Taleqani said "we reject Najib's rule because it is not popular, and we also reject any other government which does not represent the majority of the people."

The present provisional government is not popular, he noted stating those countries which recognized it either do not know the Afghan nation well or they have political motives.

So far Saudi Arabia and Sudan have recognized the Afghan interim government.

IRAN

Japan Denies Reported Scrapping of Petrochemical Project
46000129c Tehran KAYHAN INTERNATIONAL in
English 15 Mar 89 p 1

[Article: "Japan Comments on Iran Petrochemical Project"]

[Text] Tokyo, March 14 (IRNA)—The Japanese government has denied a report that it agreed with Iran to discontinue the construction of a giant petrochemical complex in southern Iran.

The Japanese minister for international trade and industry, Hiroshi Mitsuzuka said Tuesday that he had received no such information either from the Iranian government nor from the companies involved.

Mitsui Co. is one of the five Japanese contractors involved in the 17-year-old project at Imam Khomeini Port which absorbed \$4.5 billion by 1981.

Mitsuzuka assured that "in case of any such development, his ministry would have been informed," the Japanese Kyodo news service reported.

"The fate of the joint project must, be determined by the related ministers of both countries," the minister added.

Mitsui announced earlier that Iran has recognized that the continuation of the project is not economical and it was agreed that senior officials from both countries would meet in May to seek ways to discontinue the project.

The construction of the complex, located near the port of Imam Khomeini started in 1971. The project was 85% complete when construction was suspended in October 1984 following Iraqi air raids.

A joint team of officials from Iran and Japan visited the site last July and October to determine the extent of damage inflicted by the Iraqis during the eight-year old conflict.

Money Allocated for Bakhtaran Reconstruction
46000129b Tehran KAYHAN INTERNATIONAL in
English 15 Mar 89 p 6

[Article: "Rials 7.4b to Rebuild Bakhtaran"]

[Text] Tehran, March 14 (Kayhan Int'l)—The war devastated town of Sar-Pol-Zahab in the Bakhtarn Province after infrastructural repair will be ready to host its inhabitants, beginning mid 1368 (March 21, 1986-March 20, 1990).

The Islamic Republic News Agency (IRNA) reported on Tuesday that the Islamic Republic government has allocated Rls. 7.41b (\$105m) to rebuild war damaged cities, towns and villages in the province during 1368.

IRNA quoting one of the local officials of the province reported that since there are fertile farm lands near Sar-Pol-Zahab, Gilan-Gharb and Qasre-Shirin regions, therefore post-war reconstruction priorities would be given to the villages located in those areas.

He pointed out that the provinces of Hamadan, Zanjan, East Azarbaijan, Gilan and Kerman have accepted the responsibility of the reconstruction projects throughout Bakhtaran province.

During the current Iranian year (March 21, 1988-March 20, 1989), the government allocated Rls. 10b (\$143m) for the post-war reconstruction of the province of which 95% has been expended.

Millions Spent on Tribal Welfare Projects
46000129a Tehran KAYHAN INTERNATIONAL in English 7 Mar 89 p 2

[Article: "\$74m Expended for Tribal Welfare"]

[Text] Mashhad, Khorasan Prov., March 6 (IRNA)—Some Rls. 5.2 billion (about \$74.3m) have been spent by the Organization for Tribal affairs for implementation of over 1,000 development and infrastructural plans as well as revival of pastures and expansion of husbandry this year (ending 21 March 1989).

An official for the organization said some Rls. 13b (approx. \$170m) in loans with easy repayment procedures have been granted to qualified tribesmen. He said some 160,000 tribal families out of a total of 190,000 have been covered by various cooperatives. Tribesmen comprise 1.2m of the population of the country.

The official who is here to attend a gathering of officials of the organization for tribal affairs said some 62% of the tribal population is illiterate, expressing regret that those able to learn to read and write are deprived of educational facilities.

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