

PRS-NEA-89-054
AUGUST 1989



**FOREIGN
BROADCAST
INFORMATION
SERVICE**

JPRS Report

DISTRIBUTION STATEMENT A

Approved for public release;
Distribution Unlimited

Near East & South Asia

19980713 043

REPRODUCED BY
U.S. DEPARTMENT OF COMMERCE
NATIONAL TECHNICAL INFORMATION SERVICE
SPRINGFIELD, VA. 22161

OPTIC QUALITY INSPECTED 1

Near East & South Asia

JPRS-NEA-89-054

CONTENTS

4 AUGUST 1989

ARMENIAN AFFAIRS

Activists on Status of Organizations in ArSSR [Istanbul MARMARA 22 Jun]	1
Soviet Official on Removal of Curbs on Publications [Beirut AZTAG 25 May]	2
Human Rights League Formed in ArSSR [Paris HARATCH 23 Jun]	3
'Pannational Movement' Recognized, Proclaimed	3
Supreme Soviet Decision on Recognition [Paris GAMK 28 Jun]	3
Proclamation Formalizes 'Movement' [Paris HARATCH 23 Jun]	3
Work of Pannational Movement Detailed [Paris GAMK 13-14 May]	4
Opening of Turkish Archives Deemed Unsatisfactory [Paris GAMK 10-11 Jun]	4
Dashnak Party Welcomes ArSSR Decision on 28 May	5
Communique Lauds Decision [Beirut AZTAG 30 May]	5
Decision Seen To Help National Unity [Beirut AZTAG 3 Jun]	5
Ramgavar Stance on 28 May Welcome [Paris GAMK 29-30 May]	6

NEAR EAST

REGIONAL AFFAIRS

ACC Secretary Discusses New Joint Projects [AL-AHRAM AL-DUWALI 20 Jun]	7
ACC Countries To Contribute \$500,000 Each to Budget [Cairo AL-AKHBAR 20 Jul]	11
GCC Diversification of Income Discussed [London AL-HAWADITH 9 Jun]	11
GCC Trade With Japan, Europe Discussed [London AL-HAWADITH 30 Jun]	13
Report Outlines Developments in GCC Projects [Muscat 'UMAN 23 May]	15
Egyptian Government Labor Cooperation with Libya, Algeria [London AL-DUSTUR 26 Jun]	15
450 Libyans Visit Alexandria in One Day [Cairo AL-AKHBAR 20 Jul]	16
Researcher Alleges Israeli Plot To Spread AIDS Among Arabs [Cairo AL-AHRAR 26 Jun]	16
Bank Report Outlines Measures for Arab Economic Integration [Doha AL-RAYAH 14 Jun]	17

PALESTINIAN AFFAIRS

U.S. Strategy Vis-a-Vis Election Proposals Described [Nicosia FILASTIN AL-THAWRAH 2 Jul] ...	18
'Arafat's Position on Armed Struggle, Attacks Described [Nicosia FILASTIN AL-THAWRAH 11 Jun]	20
Palestinian-Israeli Meeting in Stockholm Discussed [Nicosia FILASTIN AL-THAWRAH 11 Jun] ..	20
Al-Ghusayn on Insufficient Funds for Territories [Jerusalem Radio]	22
Al-Azhar Religious Institute of Palestine Profiled [Jerusalem AL-FAJR 22 Jun]	22
DFLP Editorial Condemns George Kidnapping [Nicosia AL-HURRIYAH 2 Jul]	24
Four Popular Army Leaflets Published [Nicosia AL-NASR 15 Jun]	25

ALGERIA

Poll on Press Liberalization Analyzed [ALGERIE-ACTUALITE 25-31 May]	31
---	----

EGYPT

Apprehension of 3 Jihad Members Extended [AL-AHRAM 26 Jul]	35
Security Source Explains Muslim Leaders' Feud in Bani-Suwayf [ROSE AL-YUSUF 12 Jun]	36
Pressure Exerted To Balance New Budget [AL-MUSAWWAR 9 Jun]	36
New Crude Oil Prices Posted [MENA]	37
Officials Seek Better Agricultural Strategy [AL-JUMHURIYAH 15 Jun]	38
Hulwan Steel Workers Stage 1-Day Protest [AL-SHA'B 18 Jul]	39
Court Rules Against Interior Ministry Decision [AL-SHA'B 18 Jul]	40
IDB Finances Spare Parts for Public Transport [AL-AKHBAR 3 Jul]	40

IRAQ

- Report Provides Details on Khayrallah Helicopter Crash [London AL-TADAMUN 19 Jun] 40

ISRAEL

- 'Sicarites' Threaten Rishon Letzyon Mayor [HA'ARETZ 18 May] 41
Committees Formed To Arbitrate Arab Land Disputes [HA'ARETZ 25 May] 41
IDF Permits Employment of Arab Labor [HA'ARETZ 27 Jun] 42
Kidneys Obtained From Egypt for Transplant [MA'ARIV 19 May] 43
Village Teachers Support Arab Service in IDF [HA'ARETZ 23 Jun] 46
Night Vision Technology Firm Expanding [HA'ARETZ 28 Jun] 47
Professor Examines National Zionist Paranoia [HA'ARETZ 23 Jun] 48
Principal's Meeting With Palestinians Precipitates Conflict [HA'ARETZ 26 Jun] 49
Rabbi Addresses Extremism, Civil War Potential [AL HAMISHMAR 15 Jun] 49

JORDAN

- High Prices, Shortage of Medicine Reported [Damascus AL-BA'TH 27 Jun] 52
Seminar Calls for Ensuring Best Use of Remittances [JORDAN TIMES 8 Jul] 54

KUWAIT

- Gulf Investment Corporation Share in Project Equity Soars [ARAB TIMES 20 Jun] 55

MOROCCO

- Finance Ministry Adopts More Liberal Banking Exchange Measures [MAROC SOIR 26 Jun] 57
Chamber of Deputies Member Criticizes Government Development Plan [L'OPINION 10 Jun] 58
RNI President Addresses National Council [LE MATIN DU SAHARA 30 May] 59
Begging Reportedly Has Social Repercussions [L'OPINION 11 Jun] 66
M'jara Project Objectives Outlined [L'OPINION 31 May] 67

OMAN

- Development in Relations With Hungary Reported [AL-WATAN 14 Jun] 67
Industrial Development Strategy Based on Imports [UMAN 10 Jun] 68

TUNISIA

- PCT Council Results in Party Reassessment 70
Party Leader Interviewed [REALITES 16-22 Jun] 70
PCT Members Critical of Leaders [REALITES 16-22 Jun] 72

SOUTH ASIA

INDIA

- Commentaries on Trade Condemn U.S. Blacklisting 74
Super 301 Weapon of American Blackmail [NAVABHARAT TIMES 2 Jun] 74
Commentary Urges Government to Confront U.S. [JANSATTA 3 Jun] 75
Commentary Urges Economic Development in Kashmir [RAVIVAR 17 Jun] 75

PAKISTAN

- Commentary Criticizes Paucity of Karachi Budget [DAWN 2 Jul] 77

Activists on Status of Organizations in ArSSR
46050032c Istanbul MARMARA
in Armenian 22 Jun 89 p 3

[Excerpts] [MARMARA editor's note] Two prominent Soviet Armenian writers, prose-writer Hrand Matevosyan and poet Razmik Davoyan, are currently in Los Angeles. Below is a report reproduced from the 6 June 1989 edition of our Los Angeles colleague, ASBAREZ, about a press conference held by the two writers.

At a press conference held in the Armenian General Benevolent Union center in Los Angeles on 3 June, Soviet Armenian poet Razmik Davoyan answered a question by saying that the Soviet Armenian government has, unfortunately, never pursued or advocated a national program.

During a heart-rending conversation with representatives of the Armenian press of Los Angeles, the two writers spoke about the current realities in Soviet Armenia and the complex and difficult problems, the hopes and expectations and the future aspirations of the people of the Motherland.

The two intellectuals who are visiting our region at the invitation of the daily LERAPER, opened the press conference with the imperatives of the moment; rather than speaking about their creative work, their new works and literary priorities, they shared with the representatives of the Armenian press of Los Angeles their concerns and proposals over the present situation in Soviet Armenia.

Davoyan, who is one of the leaders of the "Renaissance Pannational Council," a public organization recently formed in Yerevan, focused on the critical need and urgency of finding homes for the people in the quake-devastated zone as quickly as possible. [passage omitted]

Davoyan said: "Our government has taken many positive decisions with regard to reconstruction work, but those decisions are not implemented. It is public organizations like Renaissance that must work to ensure that government decisions are implemented."

Davoyan disclosed that currently there are 47 unofficial public organizations in Soviet Armenia most of whom are preoccupied with political affairs rather than social issues or the reconstruction work.

One proposal put forward by Renaissance is to put at least some of the R10 billion appropriated by the USSR for the reconstruction of the quake-devastated zone in Armenia—that is whatever can be obtained directly from central funds—under the direct control of the Soviet Armenian government so that it can supervise the reconstruction work directly. Davoyan expressed concern that workers that have come from other Soviet republics will not be able to build homes that meet the needs of Armenian people. He said that that work can

best be done by Armenian workers and that there are enough Armenian workers in Soviet Armenia today to execute this massive project.

According to Davoyan, a good way to rebuild Armenia's economy rapidly is to turn the entire republic into a free-market zone which unfortunately is very hard to realize in today's circumstances. Davoyan expressed the hope that in the existing situation at least the devastated zone can be declared a free-market zone soon.

Davoyan said that he recently had a meeting with Georgiy Shahnazarov, an Armenian aide to Soviet President Mikhail Gorbachev, who assured him that Gorbachev plans to turn Armenia into a modern technological center. [passage omitted]

Hrand Matevosyan, the Soviet Armenian prose-writer who is considered one of the best writers in the Soviet Union, spoke about the painful reality of the emasculation of the Soviet Armenian government. Matevosyan pointed out that the central authorities led by Gorbachev, in their zeal to introduce reforms in the Soviet Union in order to keep the country from decaying, seem to be intent on centralizing power and authority even further—a move which is very harmful to our people and republic.

Matevosyan stated that the leadership and the people of Soviet Armenia have been stripped of their identity with the result that both the government and the people have lost their spirit of initiative and take a passive position waiting for arrangements and instructions from Moscow.

Matevosyan reported that Armenia's economic condition is in a pitiful state. He said that there were approximately 400,000 jobless people (including household maids) in Armenia before the earthquake and before the inflow of refugees from Azerbaijan. He added that this army of unemployed has now grown by another 200,000 formerly working people who are looking for employment and who can contribute superbly to the reconstruction work in Armenia.

In response to a question about the Soviet Armenian intelligentsia's loss of authority in the eyes of the people, both Matevosyan and Davoyan referred to the special conditions in Armenia which mandated that both the government and the intelligentsia urge the people to demonstrate restraint and moderation. They said that this was not properly received by the masses which were living in an atmosphere of "rallies."

They added that, as a result, both the government and the intelligentsia naturally lost their authority. The two writers also pointed out that the Soviet Armenian government has never been a moving force and that it has acted only as a "subordinate."

The two writers said that what was achieved in recent months, such as the closing of the [Metzamor] nuclear power station and several chemical manufacturing plants and the recognition of 28 May and the tricolor, happened as result of public pressure. They expressed regret that the government did not initiate those steps thus winning the people's trust and respect.

According to Davoyan, one important reason the government and the intelligentsia have lost their authority is their internal division and the lack of a united posture and approach.

The two intellectuals said that because of this situation it has so far been impossible to form a united national popular front similar to those formed in the Baltic republics.

Responding to a question about Gorbachev's meeting with Zori Balayan and Silva Kaputikyan, Davoyan said that if it was up to him he would have refused to meet with Gorbachev and that instead he would ask the Soviet leader to meet with Armenia's government and party leaders so that the issue could be discussed at a political rather than emotional level, which is what happened.

Soviet Official on Removal of Curbs on Publications

*46050030a Beirut AZTAG in Armenian
25 May 89 pp 2, 3*

[Interview with G. Martirosyan, head of the Armenian Council of Ministers' Main Administration for the Protection of State Secrets in the Press, by ARMENPRES; date and place not specified]

[Excerpt] Below we reproduce from ARMENPRES an interview with G. Martirosyan, the head of the Main Administration for the Protection of State Secrets in the Press which is affiliated with the Armenian Council of Ministers. The interview sheds light on the domain and mode of operation of that administration (Glavlit).

Martirosyan states that thanks to the atmosphere of glasnost in the Soviet Union it has become possible to move the previously "banned" works of prominent writers in the Diaspora from "special collections" to "general collections" thus making them public property. Let us point out that the Dashnak press and literature continue to be held in "special collections" as banned literature.

[ARMENPRES] How is the work of moving previously banned books and periodicals from special collections to general collections in libraries proceeding? What are the principal directions in which the work is proceeding?

[Martirosyan] Some libraries in our city still maintain special collections. In truth, we maintain such collections to protect certain books from any damage and to make them available only to specialists and researchers. In

effect, those collections contain one copy of each book; there are few books of which two or three copies are kept. The collections known as "special" are also "protected" collections and hold numerous copies of mainly Armenian rare books. The special collection at the public library has a copy of Arsen Khazikyan's "Bibliography of Armenian New Life and Encyclopedia of Armenian Life" published in Venice in 1909, the only surviving copy of Zatik Khanzatyanyan's "Cartography of the History of the Armenian Nation" published in 1960. The special collection of the Armenian Academy of Sciences library has a copy of Sirarpi Der Nersesian's "Armenian Miniatures" which was published in Venice in 1966. That collection also owns a copy of the "Armenian Atlas" published in New York in 1950 as well as several sole copies of valuable books which were put in the special collection at the time to protect them from damage. Of course, special collections also contained books that were banned in the past for various reasons. Acting on the requirements of perestroika and after consulting with committees formed in each location, nearly 10,500 Armenian books, 26,000 monthly journals and 8,000 complete newspapers as well as all books and periodicals in foreign languages were moved to general collections. More than 700 Armenian books, some religious books and books on other subjects were also moved to general collections. All books printed in the USSR had already been removed from special collections and made available for general circulation. These books include works by all authors who have left the Soviet Union for various reasons such as V. Akdyanov, K. Vladimirov, V. Voinovich, A. Kalitz, A. Glatin, A. Zinuhev, L. Gobelev, S. Sinyavski, A. Solzhenitsin, Y. Edgins, K. Torosyan, B. Mikayelyan and E. Hovhannisyanyan.

This work has been completed in most libraries.

[ARMENPRES] What stance is being taken with regard to the literary legacy of prominent Armenian writers and public figures in the Diaspora? Is their reinstatement related to their political views?

[Martirosyan] All works by prominent Diaspora writers and public figures that were kept in special collections have been moved to general collections regardless of their authors' political opinions.

[ARMENPRES] What is the policy being pursued with regard to literature brought from foreign countries? Is such literature available for mass marketing? What books are allowed to be taken out of our country?

[Martirosyan] Some very interesting works are published in the Diaspora, but unfortunately only a few copies of such works are sent to Armenia. Those issues, of course, are outside the jurisdiction of Glavlit. It would be desirable to have a certain quantity of good works in Armenian and other languages—particularly medical books, encyclopedias, scientific and technical books and works on Armenology—sent to Armenia. Of course, since 1965 there has been a qualitative change in official

policy with regard to books from abroad on social and political issues in Armenian as well as other languages. Our standards of perceiving others have changed. The circulation of political literature from abroad is fully free with the exception of publications which call for the overthrow of the Soviet state and social order and which preach war, terrorism, despotism, racism, national supremacy, religious intolerance and pornography.

In contrast to past years, it is now permitted to take out of the country all books published after 1945, except newsletters, encyclopedias and dictionaries in Russian. Works published between 1926 and 1945 can be taken out of the country with the special permission of the USSR Ministry of Culture. The mass marketing of literature brought from abroad is subject to the jurisdiction of the "Haygirk" [Armenian Book] administration.

[ARMENPRES] Armenian papers and periodicals published in various foreign countries make it possible, to some extent, to learn about the life, work and opinions of our political leaders across the world. Most of these publications are banned in Soviet Armenia. Are those prohibitions necessary?

[Martirosyan] It is well-known that several papers published in the Diaspora, such as ZARTONK, ARARAT, SEVAN, ASHKHARH, LRAPER and AZKAYIN MSHAGUYT are sold in large quantities in Soyuzpechat newsstands. The remaining papers, which you think are banned, are regularly received by the Committee for Cultural Ties with Diaspora Armenians and certain libraries in quantities of 5 to 20 copies each. As has already been stated, reading in special collections poses no difficulties. [passage omitted]

Human Rights League Formed in ArSSR
46050032b Paris HARATCH in Armenian
23 Jun 89 p 1

[Text] The Solidaritee Franco-Armenien reported on 21 June that a "Human Rights Defense League" has been formed in Soviet Armenia. The Solidaritee report says: "The Human Rights Defense League wants to conduct its activities within the framework of the present realities in Armenia. It will participate in the international Human Rights General Congress that will be held in the Bastille Opera on 22, 23 and 24 June, and there it will apply for membership in the International Federation for the Defense of Human Rights, a nongovernmental organization which is accredited with the UN and the European Parliament. With that application, it will be the first Soviet association which will become an applicant for membership in an international human rights organization."

'Pannational Movement' Recognized, Proclaimed
Supreme Soviet Decision on Recognition
46050032a Paris GAMK in Armenian 28 Jun 89 p 1

[Text] After many years of work and expectations the people of Soviet Armenia have finally managed to make

their will heard to the Soviet Armenian authorities. After 70 years, the people and the leadership of the Motherland finally stand united.

On 23 June 1989, the Armenian Supreme Soviet acceded to the people's demands and invited representatives of the Soviet Armenian intelligentsia and members of the Karabakh Committee and other public organizations to attend its sessions in an advisory capacity.

At the conclusion of its 25 June session, the Armenian Supreme Soviet announced to the people the following splendid decisions:

- The Supreme Soviet officially recognizes the Armenian Pannational Movement.
- People's representatives will serve on Supreme Soviet committees alongside government officials.
- Four committees will be formed with responsibility for a) relief work in the quake-devastated regions; b) Artsakh; c) the ecology; and d) Armenian refugees [from Azerbaijan]. People's representatives will serve on these committees.

The committee for Artsakh will be permanent and will be concerned with all issues related to Artsakh, which it will raise with top authorities in Soviet Armenia and the USSR.

Another important step was the decision to close the "Nayirit" factory in 1989.

The people are immensely heartened. After hearing about the Supreme Soviet's decisions, the people held a rally in front of the Matenadaran [National Library].

Proclamation Formalizes 'Movement'
46050032a Paris HARATCH in Armenian
23 Jun 89 p 1

[Proclamation of the Founding Assembly of the Armenian Pannational Movement issued in Yerevan on 17 June 1989]

[Text] Departing from the universal principles of liberty, national self-determination, social justice and democracy and acknowledging that:

- the Armenian people, like all other nations, can best utilize its capabilities and intellectual powers in the material and spiritual domains in an environment of full democracy which is free from external pressures and by deciding its own political, economic and cultural way of life, because only such conditions assure the protection of the rights each individual is born with: security of life, individual freedom and pursuit of happiness;
- the supreme authority on the formation of a government is the nation's will expressed by the decisions of a parliament of representatives created by referenda and free elections;

- the Armenian language is the most important guarantee of the survival and development of the Armenian people;
- our movement is not directed against the members of any nation or religious or ethnic group, that our principle is to live harmoniously with all nations because peace and harmony are possible and secure only when they are based on justice, mutual respect and equal rights;
- the Armenian nation must rely on its own strengths to realize its national aspirations without expecting the protection of others but with the readiness to cooperate with all movements of other nations which are guided by the principles of self-determination, democracy and social justice; and
- aiming for the realization of national aspirations and believing that the correct way to attain that goal is the unanimity of the Armenian nation over the aforementioned principles;

The joint assembly of the authorized representatives of Soviet Armenia's public organizations and largest institutions and enterprises, meeting on 17 June, proclaims the creation of the public association, Armenian Pannational Movement, thus formalizing the structure of a national movement which has embraced the entire Armenian nation for the past 1 and 1/2 years.

The Armenian Pannational Movement invites the entire Armenian nation to join our organization as members.

Founding Assembly of the Armenian Pannational Movement, 17 June 1989, Yerevan.

Work of Pannational Movement Detailed

46050030b Paris GAMK in Armenian 13-14 May 89 p 2

[Excerpt] The author of the article below is one of the participants of the founding meeting of the Armenian Pannational Movement [APM]. We present the article to our readers as an eyewitness account of that meeting.

The founding meeting of the APM was convened in Yerevan on 8 April. The meeting was attended by 95 delegates representing virtually all of the important movements and associations in Armenia. The APM embraces all political movements and groups in Armenia. The meeting approved the APM's political program which was made public on 19 August 1988 by the Soviet Armenian Committee of the Artsakh Movement. The APM's first congress must be held in a few months. A 6-person was elected to organize the congress. The members elected to the council are: Davit Shahnazaryan, Yerjanik Abgaryan, Avedik Ishkhanyan, Hrand Smbadyan, Albert Baghdasaryan and Arshak Sadoyan. The leaders of the founding group of APM are Armenian scientists, intellectuals, artists and lecturers in universities and institutes. They have all been part of the political reform movement in Armenia since the events of February 1988.

Members of the APM council addressed a rally of more than 50,000 people at Matenadaran Square on 24 April. The rally lasted from 5 to 11 pm and generated great enthusiasm among the people. Neither the police nor the martial law command made any attempts to block the rally.

On 1 May, the International Labor Day, members of the APM founding group once again addressed a gathering of more than 100,000 people at the Matenadaran Square (unfortunately the traditional Liberty Square remains cordoned off by the military), ignoring a ban on demonstrations declared by Armenian authorities on public media. The speakers focused primarily on the slow pace of reconstruction work in the devastated areas, the release of the members of the Artsakh movement who are imprisoned in Moscow and the restoration of their citizenship rights.

The greatest wish of the 11 members of the Soviet Armenian Committee of the Artsakh Movement, the creation of a popular-democratic movement, is becoming a reality today despite the continuing state of martial law in Yerevan and the relentless harassment of activists. It would be desirable and natural if this time the Diaspora expresses its political support for the Armenian activists before it is too late—when a movement that unites the entire Armenian nation, the ray of salvation in the dark tunnel of Armenian history, is still alive. [passage omitted]

Opening of Turkish Archives Deemed Unsatisfactory

46050031b Paris GAMK in Armenian 10-11 Jun 89 p 1

[Article by Y. Kevorkian: "We Are not Satisfied"]

[Text] It is no longer a state secret. Historians and researchers also have the right to enter Ottoman archive centers and to see and examine them with their own eyes to "refute Armenian allegations." This, apparently, was the objective of the Turkish authorities when they "opened" the archives.

The following statement by the Turkish official in charge of these "opened" archives is interesting and contains much truth: "It is impossible to satisfy the Armenians in any way. Each section [of the archives] is opened for researchers as soon as it is classified."

The statement is interesting because it shows that even this respectable official does not believe in this move by Ankara. Because, as he states, the Armenians are not satisfied. Even he does not seem to be satisfied because he is convinced that Ankara has taken this step as an act of insincerity and showmanship and to deceive the world. That being clear in his mind he repeatedly reminds everyone that these archives are "opened" "to refute Armenian allegations."

The statement also gains some truthfulness from the term "classification" that the official used. That shows how subjective "classification" can be especially when a specific goal is being pursued.

The problem remains unchanged: The Turkish-Armenian conflict continues and will continue as long as the Armenians are not satisfied.

That satisfaction goes deep and is related to the rectification of the consequences of the first genocide of our century. Such a wound cannot be cured by a fake recipe and by taking phony steps.

Turkey's present and past leaders have always resorted to such tactics whose actual purpose is to ignore or to refute the actual wound, that is the genocide.

The "opening" of the archives is just another step in the implementation of the general strategy of turning a blind eye. That being the case why does this Turkish official want the Armenians to be satisfied? Is he not aware that the problem revolves around the restoration of justice? This is a fundamental problem that requires a fundamental solution.

The opening of the archives could probably be a remedy if they were genuinely opened with the objective of restoring justice and not refuting it.

The opening of all archives—American, French, British, Russian or Georgian—could have offered a solution to the Turkish-Armenian conflict and confirmed that Kars, Van, Mus and Sasun are Armenian lands and that we have become and are now the Diaspora simply because of the genocide.

This is the truth. Why does the Turkish official want us to be satisfied with the untruth and to believe in Ankara's multitude of "inventions" and its steps to suppress the truth?

We are not satisfied with sham steps because we want to arrive at the fundamental solution, namely the restoration of justice.

How can we be satisfied when we know full well that Turkey is resorting to every means to ignore even our existence?

Dashnak Party Welcomes ArSSR Decision on 28 May

Communique Lauds Decision

46050031a Beirut AZTAG in Armenian 30 May 89 p 1

[Armenian Revolutionary Federation communique on the decision of the Armenian Supreme Soviet to declare 28 May 1918 as the Day of Restoration of Armenian Statehood]

[Text] The Bureau of the Armenia Revolutionary Federation [Dashnak Party] welcomes the 27 May 1989 decision of the Armenian Supreme Soviet to officially recognize 28 May 1918 as the Day of Restoration of Armenian Statehood.

Since 1921 and across the Diaspora, the Armenian Revolutionary Federation and the masses that support it have commemorated 28 May under the shadow of the tricolor flag infusing successive generations with the import of that glorious historic day and keeping alive in their hearts the idea of Armenian independence and the love of their homeland.

Henceforth, 28 May 1918, the day of Armenian independence statehood, will be justly regarded a day of remembrance by the entire Armenian nation; its commemoration from one year to the next in both Soviet Armenia and the Diaspora will serve to further consolidate the unity of the Armenian nation around its homeland and in the pursuit of its just cause.

As we progress on the path of reinstating historical truths, we await that "blank spots" be removed from our history of 19th and 20th centuries, that all the events, episodes and personalities of the Armenian liberation war be reevaluated and that distortions introduced during the Stalin period be rectified. In sum, we await that the recent history of the Armenian nation be returned to the Armenian people in its entirety with candor and with its heroic struggles, true players and exalted martyrs as a source of inspiration for this and future generations.

Bureau of the Armenian Revolutionary Federation, 28 May 1989.

Decision Seen To Help National Unity

46050031a Beirut AZTAG in Armenian 3 Jun 89 p 1

[Editorial: "Reinstatement of 28 May Is a Political Act"]

[Excerpts] Nearly 70 years after the loss of the independent Armenian Republic, its political and national symbols and part of its political legacy are being officially reinstated in Soviet Armenia.

The Armenian Supreme Soviet passes a special resolution recognizing 28 May as the Day of Restoration of Armenian Statehood and the red, blue and orange tricolor as a national flag. For the first time ever, the Armenians of Soviet Armenia officially commemorate 28 May, and Yerevan is inundated with tricolor flags.

The First Secretary of the Armenian Communist Party, Suren Arutyunyan, demands from Moscow, on behalf of the Armenian Supreme Soviet, to recognize the Armenian genocide of 1915 and to condemn Turkey. April 24 is officially recognized.

The deep rift that has divided Soviet Armenian authorities from the heartfelt yearnings, organizations and political thoughts of the Armenian nation—as well as from truth and candor—for 70 years is steadily being bridged. The current leadership of Soviet Armenia has been steadily coming closer to the healthy mainstream of Armenian national policy.

While we welcome this constructive decision by the Soviet Armenian authorities and hail each new step which consolidates the autonomy and sovereign policy of the Armenian nation, it is essential to make some assessments which stem from the ideology and modus operandi of the Armenian Revolutionary Federation that has acted as the torch-bearer of historical truth and national demands for 70 years.

The honor of the return of 28 May and the tricolor to the Motherland belongs to the Armenian nation. The indigenous movement that began with the Artsakh demands bridged the gap between the present and the past, tore down the government-imposed veil of deceit and distortion and restored in the hearts and minds of Armenian people their love of their nation and homeland, their respect for truth and their determination to pursue the Armenian Cause.

In a single stroke, the people of Soviet Armenia shook off the suffocating weight of oppression, the despotism and the lies of past decades, rebelled against the disinformationary propaganda and the two-faced conduct of local and central authorities and the genocidal policy operating behind the guise of interethnic fraternity. The 1 million demonstrators of Yerevan and the hundreds of thousands who followed them expressed their adamant position for the liberation of Artsakh from Turkish rule and demanded a leadership which would address national priorities. They compelled the authorities to acknowledge and recognize all facts.

Consequently, at this time we are only at the first stage of the full Armenianization Soviet Armenia's political, economic and cultural character.

The recognition and honoring of all facts and the reinstatement of all the personalities and episodes of the Armenian liberation struggle are inevitable.

But it would not be correct to think that these reinstatements are of academic importance only and to be satisfied with a truthful rewriting of history. One expects that the reinstatement of Armenian national values will generate a pannational wave of renewal and restructuring which will purge, with the light of truth, the distortions and sins of the past for a catharsis of the national and political thinking of the Armenian nation. [passage omitted]

The return of 28 May and the tricolor to Armenia symbolizes a new departure to new horizons toward a united Armenia and a united Armenian nation.

Ramgavar Stance on 28 May Welcome

46050030c Paris GAMK in Armenian 29-30 May 89 p 1

[Article by Y. Kevorkian: "A Welcome Step"]

[Text] We have not read it, but we heard that the central administration of the Democratic Liberal [Ramgavar] Party has issued a special communique on the (AYP) radio station in Paris on "24 April, 28 May and the tricolor."

The communique first welcomes the decree issued by the government of Soviet Armenia declaring 24 April as the day of commemoration for the victims of the Armenian genocide. The Ramgavar leadership then urges the Soviet Armenian leadership to declare 28 May as the day of Armenian statehood and to review its stance on recognizing the tricolor [flag of independent Armenia of 1918-1920]. The Ramgavar leadership also proposes that the remains of all selfless Armenian public figures be interned in the Motherland regardless of their political persuasion.

We have said in the past that years are but moments in history if we remain clung to our fundamental beliefs. We were always certain that one of the Armenian national parties, the Ramgavar party, has kept alive the memory of the victims of the genocide and the meaning of the day of independence and reinstatement of statehood. But it had not stated that officially until now.

This official communique on the eve of 28 May removes a taboo and helps to clear the air in intra-Armenian relations.

It appears that the time has come to establish unity in our national life over at least our basic values. We should not be divided over at least such values because otherwise we help the hand of our historical enemy.

The Armenian Revolutionary Federation [Dashnak Party] held on to those values for 71 years. It was—or used to be—criticized, particularly in France, because it defended those values. This communique by the Ramgavar Party proves the rightness and correctness of the Dashak Party's stance.

This official communique is a step toward unity over independence, the tricolor, statehood and political thought. It must be followed by other steps by other movements because we still have a long way to go as a nation toward the resolution of the Armenian Cause.

That road can be traversed if we present our demands more unanimously.

In that sense, the said communique takes a positive step on that road and, as such, is welcome.

REGIONAL AFFAIRS

ACC Secretary Discusses New Joint Projects 45040394 Cairo AL-AHRAM AL-DUWALI in Arabic 20 Jun 89 p 3

[Interview with Dr Hilmi Nimr, secretary of the Arab Cooperation Council, by 'Abd-al-'Azim al-Basil: "Arab Cooperation Council Secretary Tells AL-AHRAM, 'This Council Moves Steadily, Does Not Indulge in Rhetoric';" date and place of interview not specified; first six paragraphs are AL-AHRAM AL-DUWALI introduction]

[Text] It was not odd that President Mubarak chose Dr Hilmi Nimr to be his nominee for the position of secretary general of the Arab Cooperation Council [ACC].

Dr Nimr is an economist with a keen political sense. He is also a person who held more than one position as a scientist and a popularly elected official. Dr Nimr served as president of Cairo University for 4 consecutive years, and he is now serving as chairman of the Plan and Budget Committee in the People's Assembly.

According to Dr Nimr, the impact he had in the many positions he held throughout his lengthy career has been modest. But then he was recently chosen by a vast majority of merchants to serve as president of their union to settle the conflict which that union has been experiencing for long periods of time.

Although his selection as secretary general of the four-member council took him by surprise, the choice did not surprise those who are aware of the nature of the stage we are going through. This stage is one that has been characterized by economic floundering. It is a stage that forced us to consider the establishment of an Arab Cooperation Council which would carry Egypt as well as the other members of the council to safety.

That was when Dr Nimr's name was proposed. Dr Nimr was nominated at this time in particular to steer the council on its course because political leaders believe in his ability to confront challenges.

What does Dr Hilmi Nimr, the secretary general of the ACC, say in his interview with AL-AHRAM? What is his plan, and what role will his council play in the coming days?

[AL-AHRAM AL-DUWALI] Given the ACC's tasks and the resolutions it declared during the Alexandria Summit meeting, which resolution is to receive top priority for implementation? Which resolution will be implemented first so that the people in the countries that are members of the council will have a sense that this cooperation is fruitful?

[Nimr] What matters to us is that the process of cooperation is not carried out hastily. Cooperation must come about gradually and steadily. Opening up areas for large investments and broad cooperation and then dragging our feet when it comes to implementation would not be in our interests. Our problem in the Arab countries is characterized by very odd contradictions.

[AL-AHRAM AL-DUWALI] How is that?

[Nimr] What I mean by that is that in our area decisions to invest are either hastily made and acted upon without being studied, only to show later that these investments were not feasible, or they are made after an extremely long period of study that may be as long as 10 or even 20 years. Consequently, money is wasted because prices are always rising.

That is why the ACC has to start with good studies. This comes first. There are studies on some projects in the ACC countries which are ready to be presented when the General Secretariat holds its next summit meeting in San'a' next September 25. My task during this period is to put these projects together and to put them on an agenda which is to be presented to the ACC's board of ministers when that board meets in Baghdad next August.

[AL-AHRAM AL-DUWALI] What are the most prominent of these projects?

[Nimr] I can give assurances about some of the projects in Egypt, but I will be visiting Baghdad soon to find out about some of these projects so they can be presented before the scheduled period in August.

The Egyptian projects include projects which have to do with energy; projects which have to do with the transportation system; and projects which have to do with aviation. A general view of these projects was presented at the summit meeting, but details about them will be presented at the next summit meeting. Although a council of the heads of aviation authorities in the ACC countries has in fact been formed, that council will meet soon to approve and sign the air space agreement between the member countries.

Planning and Follow-Up

[AL-AHRAM AL-DUWALI] In this regard, what role will the ACC secretariat be playing to implement these tasks in coordination with the ACC's board of ministers and supreme board?

[Nimr] It is the function of the secretariat to follow-up on the process of implementation and to find out about problems that come up. In implementing decisions my philosophy has always been one of personal relations. It is natural that there would be problems, especially with some of the obsolete laws in the Arab countries. To solve these problems we can either propose amendments to the

laws which affect these projects, or we can write new provisions in addition to those which control projects in each country. These new provisions would pertain specifically to ACC projects, and they would be distinguished by a measure of flexibility.

If some of these problems have to do with officials or with some of the new provisions, the only thing we can do then is to see to it that a decision is made on the summit level.

From now on I will be making direct contact with the prime ministers of the countries so I can present to them a step-by-step progress report on the resolutions of previous summit meetings. We can thus avoid the slow implementation of these decisions.

Agreements, Not Studies

[AL-AHRAM AL-DUWALI] Many studies were talked about during the period between the date on which establishment of the ACC was announced and the date when its secretariat was formed. One of these studies dealt with establishing a federation of chambers of commerce in the ACC countries. What are the characteristics of this study?

[Nimr] Actually, that study was not presented. What was presented was a set of agreements on the council's operating procedures regarding immunity and privileges for the council's members. These procedures were approved. So far, no studies associated with other agreements have been presented, but they may be presented at a later time.

[AL-AHRAM AL-DUWALI] The Arab al-Jisr Company, which operates a shipping route between al-'Aqabah and Nuwayba', has been successful in the field of transportation and communication. What can you tell us about the most prominent transportation projects which are to be implemented soon?

[Nimr] Projects in the field of transportation and communication are relevant; they are among the most important projects which should receive priority. We have been talking about economic integration and calling for it, but there can be no economic integration without a very good transportation system on land as well as on the sea.

Can you believe that we had to spend one night in Saudi Arabia on our trip from Jordan to San'a'? We had to take a flight to San'a' from Saudi Arabia because there is only one airplane which flies from Jordan to San'a', and it makes only one flight a week.

We must therefore devote attention to a good transportation system that would link the four countries together and integrate them geographically.

[AL-AHRAM AL-DUWALI] What is the most outstanding new project in this field?

[Nimr] There is a railroad project that would link Cairo with Amman, but that project is still under consideration.

Collective Purchasing

[AL-AHRAM AL-DUWALI] In the area of agricultural cooperation, the people of the ACC countries are putting much hope on trading each others' agricultural crops and achieving food security. What do you think about that?

[Nimr] Food security is not a matter of trading each others' agricultural crops because the problem of food is a common one in the four countries. In Egypt we rely on foreign countries: we import 60 percent of our food from abroad to satisfy our needs. Trading each others' agricultural crops is irrelevant unless there was a surplus. This is what logic would say.

We can achieve two things in this regard, however. First, we can decide collectively to purchase staples and foods at reasonable prices. Whatever we save on the prices we pay would benefit the four countries.

Second, the ACC countries must pay attention to agriculture. It is estimated that arable land in those countries makes up 72 percent of their total collective territory. Iraq had a major land reclamation experiment, which did not get the push it needed because of the circumstances which Iraq went through. The process of land reclamation in the ACC countries must be reconsidered so that wheat can be cultivated in large areas of land to solve the problem of food security which affects citizens directly.

We Welcome the Free Zone, But...

[AL-AHRAM AL-DUWALI] In establishing the ACC we hoped we would have a common Arab market. That requires the presence of a free trade zone where the components of production may be exchanged. Such a free zone would allow the free movement of labor, goods and services, and capital between the ACC countries. How do you envision the establishment of this free zone? What about guarantees for its success?

[Nimr] I think that a common Arab market is the ultimate goal for the successful integration between the ACC countries. The experiences of Europe's Common Market are clear in front of us. Europe took very deliberate steps when it established its common market, and that helped it succeed.

That is why I say we must not rush into setting up this market. Our present quest for integration will lead us to it at a future stage. We will achieve that after we achieve both economic integration and trade integration.

[AL-AHRAM AL-DUWALI] What about the free zone?

[Nimr] We do not want to make the same mistake we made here in Egypt when the free zone was transformed, unfortunately, from an export facility to one for trading and smuggling goods into the country. We do not want to have such a problem to deal with, especially since the beneficiaries of this zone are its merchants and brokers.

We want a free zone to become a tool for economic growth.

[AL-AHRAM AL-DUWALI] How would that be achieved?

[Nimr] It will not happen unless specialized industries are established in the free zones. This is what I personally think, not what officials in the ACC countries think. We need a strong push for the private sector in this zone because, in my opinion, the private sector is more capable than the public sector is of exporting goods. The private sector can export goods more promptly than the public sector can.

Let me affirm that we cannot touch the public sector in these countries because it has become the foundation of support for these countries. At the same time, the private sector must be invigorated because we have to have a good private sector that functions alongside the public sector. This is one of the responsibilities of the ACC: to encourage the private sector. Such an approach can be found and does exist in all the ACC countries. Evidence of this can be found in the private sector's investments in Egypt's plan; these investments have now amounted to 18 billion pounds. Jordan's private sector is also receiving the same attention.

That is why the idea of a balance between the public sector and the private sector must be discussed at the summit level so that the required push can be provided and a free zone established. This balance between the private sector and the public sector provides a certain guarantee that the free zone would succeed because export is the private sector's main activity.

From the Private Sector to Labor

[AL-AHRAM AL-DUWALI] You've just spoken about the importance of the private sector's role in creating the free zone. What about labor, which is considered the second important side of the development triangle?

[Nimr] Let me be realistic. Labor is very important because more than one aspect is involved here. First of all, there is labor competence, a subject which should be studied by various training centers. And a study of labor competence should be preceded by some kind of integration in a good system of education. We could thus avoid complaints about graduates' weak standards.

I am still being realistic when I say that it would be difficult for me to say that priority will be given now to this matter. We will, however, look into this matter of devoting attention to education, and we will study it. This is not rhetoric at all. We will look into this matter to pave the way for the implementation of good educational programs in stages.

[AL-AHRAM AL-DUWALI] What about the second aspect of the labor question? What do you have to say about that?

[Nimr] This is a question about the ACC countries sharing labor. And here I must be unequivocal. This council was not established to move one country's unemployed to another country.

[AL-AHRAM AL-DUWALI] But isn't there an agreement which was signed at the Alexandria Summit meeting that provides for sharing labor?

[Nimr] Yes, there is an agreement, but the most important provisions of that agreement deal with abolishing entry visas and abolishing fees. What is even more important in the agreement is that preference is to be given to workers in the four countries. This entails the expulsion of Asian workers and workers from other Arab countries that are not members of the ACC. While this will create new employment opportunities, these opportunities will be limited to what is available in those countries. Thus, workers can move between these countries depending upon these countries' capacities to accommodate them. This matter is now being studied, and vacant employment opportunities which are available in the ACC countries are being listed.

Information Exchange

[AL-AHRAM AL-DUWALI] Dr Hilmi Nimr, when it comes to Arab cooperation, the process of sharing information and the flow of news to and from the ACC countries cannot be ignored. The question is about the plan which was prepared by the secretariat to share information.

[Nimr] An information system is one of the main things in the management organization at the council's general secretariat. We will start devising a plan for such a system because we can do nothing without it.

I announced that I will be making several visits to the ACC countries to collect this information myself because I do not rely on reports and on committees that go and bring me back one piece of information. I prefer to go to every country and to see with my own eyes and hear with my own ears.

The information that I will collect will be the first units of information that I will use to build the council's information system. All the information about economic integration in all the economic units in the [ACC]

countries will be added to that system. Information about the systems in different councils in the Arab countries and about integration councils in other European countries will also be added.

Standards of Selection

[AL-AHRAM AL-DUWALI] How many members will the council's labor board have, and who will choose them?

[Nimr] The assistant secretary general has been chosen; he is from Iraq. I will choose the employees myself. They have to have mastered the use of the language, and they must have had considerable experience with international or Arab organizations. I will not engage in any special favoritism when I select the employees because that would be at the expense of this council's success.

We determined that this council should be staffed by 59 employees who will be chosen from the four member countries.

I will propose the establishment of an ACC Department in the various ministries of the ACC countries. That department would have three officials, and its aim would be to monitor implementation operations of ACC projects within the scope of that ministry. The department would also provide information about the existence of the council. We hope that this will materialize even if only within the principal ministries.

There will also be a special ACC unit in the prime minister's office and in the Ministry of Foreign Affairs in each ACC country.

[AL-AHRAM AL-DUWALI] Dr Hilmi Nimr, did you notice there were any obstacles at the recent summit meetings in Alexandria which interfered with the speed of the quest for integration?

[Nimr] Quite the contrary. Although the provisions of the charter permit decisions to be made unanimously, by compromise, or by a majority, all the heads of state and the prime ministers were trying very hard to see to it that all the decisions that are made are unanimous. This is because this council was founded on the basis of cordial and fraternal relations, and plans were devised and studies were conducted before its establishment was announced. That was confirmed when all the council's decisions were unanimous.

[AL-AHRAM AL-DUWALI] Now that the organizational structure of the ACC has been completed, what, in your point of view as this council's secretary, distinguishes it from other Arab councils?

[Nimr] First, this council has been distinguished since its formidable birth because the group of countries that are its members have a major, influential role in the area.

Second, this council has not leaned on slogans of any kind. It stated unequivocally that it did not contradict the charter of the Arab League.

Third, and most important, this council was founded on an economic concept. It did not start out with glittering political decrees. Material facts were taken into consideration from the very outset, and it was also understood from the very beginning that when Arab citizens have a sense that their economic problems have been solved, they will accept total political unity immediately.

The Councils Cooperate

[AL-AHRAM AL-DUWALI] Given these specific characteristics which distinguish the ACC from other councils, how can this council get together with other Arab councils and work with them?

[Nimr] I plan to visit the other Arab councils: the one in the Gulf, the council in the Arab Maghreb, and the council on economic unity. My purpose is to find out what their experiences have been; to study the pros and cons of their experiences; and to collect this information which they have.

I also plan to establish joint Arab projects with these councils, provided they are consistent with the development plan we are pursuing in the ACC.

There would be no objection to having joint projects within the four associations of countries because we are not a political alliance against any other associations of countries.

Yes to Lenient Terms; No to Abolishing Customs

[AL-AHRAM AL-DUWALI] Dr Hilmi Nimr, an announcement was made during the summit meetings in Alexandria that terms for trade between the member countries would be made more lenient without abolishing customs fees. Don't you think there is a contradiction here?

[Nimr] In the context of trade there are equal bilateral agreements which are subject to some lenient terms. We will not oppose those. Customs fees, however, will not be abolished so that no country's character would be obliterated and no country's interests would be hurt as we attempt to achieve integration. What applies to customs applies to taxes too.

[AL-AHRAM AL-DUWALI] Can you give us more details about the privileges and immunities which will be available to council members?

[Nimr] These are the same privileges and immunities which apply to diplomatic delegations. They include the council's office, the council, movable property, and the

council's correspondence. These are the things which have been determined by diplomatic conventions, and the council is subject to these conventions.

These privileges and immunities are extended to the council to allow it to proceed with its work unimpeded.

The ultimate goal of the ACC countries, and that is still in the future, is to standardize the laws. Those which are being issued now are specific and unequivocal regulations in the agreement which are not needed now. If they were, why not set up a judicial committee to discuss these laws after they are presented to the parliaments of these countries for their approval?

[AL-AHRAM AL-DUWALI] Is there a plan to issue an Arab dinar that would be used for accounting purposes to facilitate the process of importing goods from member countries in the same way that western Europe uses a dollar system for accounting purposes?

[Nimr] It is premature to talk about that. It is my opinion that this would add nothing except more complications. It seems to me that a fund in the budget or a finance fund could be set up if necessary. That would be much better.

[AL-AHRAM AL-DUWALI] Finally, how do you see your responsibility in this position, and how were you chosen?

[Nimr] I do understand that this is a difficult responsibility, and I am aware that sacrifices will be due. I am willing to do as much as I can to fulfill the task which was entrusted to me by the political leaders when they honored me and selected me for this position.

ACC Countries To Contribute \$500,000 Each to Budget

45000175 Cairo AL-AKHBAR in Arabic 20 Jul 89 p 7

[Text] AL-AKHBAR has learned that the countries of the Arab Cooperation Council [ACC]—Egypt, Iraq, Jordan, and the Yemen Arab Republic—have decided that each country should pay a sum of \$500,000, the value of the country's share in the treasury, which is headquartered in the Jordanian capital of Amman. Thus, the secretariat's annual budget is \$2 million.

GCC Diversification of Income Discussed

44040477b London AL-HAWADITH
in Arabic 9 Jun 89 p 57

[Article: "Ministers of Industry in GCC Countries Decide To Convene European-Gulf Meeting; Local Industries To Be Developed To Diversify National Revenue"]

[Text] The ministers of industry in the GCC [Gulf Corporation Council] countries took new steps in their continuing efforts to strengthen the Gulf Cooperation

Council 8 years after it was founded. At their most recent meeting in Riyadh the ministers decided to issue the executive decrees for the industrial protection law, which will be presented to the ministers of finance of the GCC countries at their next meeting. When the ministers of finance approve the financial aspect of the law, the situation will have been prepared for the application of the law which the leaders of the GCC countries had approved at their most recent meeting in Bahrain last December.

The ministers discussed the difficulties which the GCC countries have been facing since the system of collecting all customs fees went into effect. This involves the certificate of origin, and it particularly involves computing the value added. The ministers approved steps that were easier than previous ones. Firms that issue certificates of origin must have a value added index for factories which issue such certificates, and the certificates that are issued must be based on these indices. The ministers' recommendations will be presented to the ministers of finance at their next meeting. Once the financial aspect of these recommendations is approved, the recommendations will be applied and special procedures for issuing certificates of origin and exemption certificates for national products would become easier.

The ministers also decided to invite a technical committee to discuss the subject of coordinating the establishment of industrial projects in the GCC countries. This subject was endorsed by the Bahrain Summit, and decrees for its implementation were issued in Qatar, in the Sultanate of Oman, and in the United Arab Emirates.

The ministers examined the projected industrial projects plan for the next 10 years. The plan was prepared by the General Secretariat of the GCC in cooperation with the Gulf Organization for Industrial Consultations. The ministers discussed the position of the company which is being proposed to manufacture telephones in the GCC countries. It is known that there is one company in Kuwait which is licensed for that purpose. The ministers agreed to expand that company's license to make it include the entire Gulf market. They sanctioned the steps that were taken to establish the Gulf Cooperation Company for Educational Industries, which will be built in Doha, and they also sanctioned steps that were taken to establish the Gulf Company for Industrial Investment, which will be built in Bahrain with a capital of \$100 million.

The ministers agreed to hold an expanded economic meeting for industrialists from the Gulf and from Europe to talk about joint projects, the transfer of technology, and industrial cooperation between the Gulf countries and European countries. The ministers decided that the meeting would be held in Spain and that a committee from the GCC's General Secretariat be entrusted with the task of joining the Europeans to make preparations for that meeting.

The industrial sector in the Gulf is considered one of that area's important economic sectors. The GCC is trying hard to develop that sector so it can contribute to diversifying the sources of national revenue. In 1987 the GNP [gross national product] in Kuwait's conversion industries sector had its largest rate of increase, a 39.5 percent increase, from \$1.991 billion in 1986 to \$2.7779 billion in 1987. Also, the relative importance of that sector's GNP to the state's total GNP rose from 11 to 14.5 percent during the same period. Noticeable progress was also made in the GNP of the United Arab Emirates' conversion industries sector, which rose at a rate of 12.8 percent to become \$2.1531 billion. In other words, this was 9.2 percent of the state's total GNP in 1987. In 1981 that sector's contribution to the GNP was \$1.9087, or 8.9 percent of the state's GNP. In Qatar progress made by that sector was at a rate of 3.1 percent, but its contribution to the state's GNP did not exceed 10 percent in 1986 and 1987.

In the Kingdom of Saudi Arabia and in the Sultanate of Oman the GNP of the conversion industries sector declined in 1986 and 1987 at the rate of 9.8 percent. In the Kingdom of Saudi Arabia the GNP from that sector fell from \$5.3049 billion in 1986 to \$4.7843 billion in 1987. In the Sultanate of Oman that sector's GNP fell at a rate of 3.1 percent.

The petrochemical industries and the oil refining industry play a major role in the development of the industrial sector in the GCC countries. Some GCC countries are following in Kuwait's footsteps: they are using marketing centers in the industrial countries to sell their oil. These countries are exporting their oil in the form of refined oil products.

In recent years the petrochemical industry underwent noticeable development, especially in the Kingdom of Saudi Arabia, in Qatar, and in Bahrain. One of these developments has been the major success realized by SABIC [Saudi Basic Industries Corporation], which managed to achieve a high rate of efficiency in operating all the petrochemical plants which went into production in the past years. Actual production in some of these plants exceeded the plants' general capacity. In addition, this company succeeded in entering world markets despite stiff competition from others. SABIC entered world markets despite attempts which are being made, especially by the countries of the European community, to throw stumbling blocks in its way. European countries levy high fees on petrochemical products produced by SABIC.

Recently, GCC countries managed to overcome some problems and difficulties which the cement industry in the GCC countries has been facing. These problems have been the result of economic stagnation which prevailed over this industry as a result of a significant drop in the construction sector's activities.

The GCC's secretariat has been trying to devise a uniform strategy for industrial development in the GCC countries. It has been trying to devise a strategy which favors the industrialization choice and the effort to develop an industrial society in the Gulf with a sense of how important industrialization can be in the lives of nations. Members of such a society would work to acquire technical skills, and they would learn about and master modern technology in a way that would allow economic growth to continue and provide prosperity to citizens of the GCC countries.

The aim of this strategy is to set in motion 10 [as published] courses of action:

- To push for progress in industrialization on the basis of an integrative and a balanced approach.
- To increase the contribution made by the conversion industries sector to the GNP as much as possible.
- To increase the participation of the national labor force in the industrial sector.
- To make the GCC countries self-sufficient in manufactured goods.
- To create a foundation for research, for the applied sciences, and for technology.
- To integrate the oil and gas sector with other sectors of the economy, especially the industrial sector.
- To find lucrative opportunities for investing the GCC countries' surpluses and financial savings to develop the conversion industries sector.
- To develop the natural resources that are available in the area and increase the efficiency of their use in industry.
- To encourage the settlement of conversion industries in rural areas where growth is less than it is in other areas.

This strategy defined three priorities for Gulf industries which were founded to utilize and develop local natural resources. These include industries geared to foreign markets and industries, especially the food industry, which meet the Gulf market's pressing needs. The strategy determined that small and medium industries would meet the local market's needs. They would lay the technical and psychological groundwork to prepare society in the GCC countries to become industrial. At the same time, what is required to protect the environment and preserve the sources of water is to be taken into consideration.

The uniform strategy defined the standards as follows:

- Existing industries.
- New industries, especially basic industries, that would help improve opportunities for existing industries to succeed. These basic industries are associated with iron and steel, aluminum, copper, petrochemicals, and cement.
- Industries that require modern technology and capital intensive industries. The energy that is available locally is to be utilized.

- Export industries with relatively high benefits.

This is in addition to strategic industries with security implications, industries which manufacture goods that would substitute for the GCC countries' imports, and joint industries between the GCC countries.

GCC Trade With Japan, Europe Discussed

*44040477a London AL-HAWADITH in Arabic
30 Jun 89 p 47*

[Article: "GCC Countries' Trade Ministers Meet in Riyadh; Japan, Largest Importer; Europe, Largest Exporter"]

[Text] The GCC [Gulf Corporation Council] countries' ministers of trade ended their recent meeting, which was held in the council's General Secretariat in Riyadh on 10 June, by issuing a number of resolutions supporting the establishment of a common Gulf market. The ministers decided to charge the committee, which is entrusted with the task of making collective purchases, to devise a standard purchasing program for some of the basic goods purchased by citizens, like rice, for example. That experiment had succeeded in reducing the cost of goods for consumers.

Habib Qasim, Bahrain's minister of trade who presided over the current meeting, said that the ministers had charged the special technical committee with the task of setting up controls to regulate the practices of commercial agencies which are operated by citizens of the GCC countries.

There are 33 articles in the Uniform Bill for Commercial Agencies, which stipulates that only natural persons or corporate bodies who are citizens of GCC countries may operate commercial agencies. An agent must not be less than 31 years of age, and he must not have been convicted of a dishonorable or a disloyal act.

The law permitted the country in which a commercial agency is registered to stipulate that a certain percentage of the capital of a firm which is engaged in the business of a commercial agency be held by citizens of that country. The law permitted the country in which a commercial agency is registered to stipulate that the agent and the foreign company he represents work together directly with no intermediaries. The law required an agent to provide adequate spare parts on a continuing basis, and it obligated him to offer maintenance for the goods represented by his firm at an appropriate cost and for an indefinite period of time. The law required an agent to offer all warranties and to comply with the standard specifications that are sanctioned in the GCC countries. Unless an earlier representation agreement had been canceled by mutual consent, the law prohibited commercial agencies from being registered a second time under the agent's name in the register of foreign agencies.

The ministers entrusted another technical committee with the task of drafting another uniform bill to oversee and monitor insurance activities. They decided to hold a joint trade fair in Muscat in Oman next 27 December. The Gulf Summit Conference will be held there at the same time. The ministers also decided that GCC countries would participate collectively as a group in international and Islamic fairs.

The ministers also decided to study the possibility of the GCC countries joining the organization for trade talks between developing countries. They also decided to study the possibility of joining the trade agreement between Islamic countries. They decided that results of these studies would be presented to the ministers at their next meeting.

The ministers discussed the system under which GCC countries give preference to other GCC countries in trade matters. They also discussed similar systems employed by countries in large economic groups like the European market, the United States, and Japan.

Dr Sulayman al-Salim, minister of trade in the Kingdom of Saudi Arabia, talked about the importance of the efforts which are being made to support economic and trade cooperation between the GCC countries. This cooperation culminated in the Economic Declaration of the Riyadh Summit. This was a declaration about promoting close relations between citizens of the GCC countries to enable them to reap the fruits of economic development. All natural persons and corporate bodies that are citizens of GCC countries were given the opportunity to engage in economic activities in the commercial, industrial, agricultural, contracting, hospitality and other sectors of the economy.

If the commercial sector were taken as a model of the solidarity which has been accomplished among the GCC countries, we would find that solidarity represented by the liberalization of trade between the GCC countries. Citizens of GCC countries were allowed to engage in retail trade in all GCC countries; they were allowed to purchase some staples collectively as a group; and they were allowed to practice professions like legal counsel, engineering, and accounting. Liberal terms were also granted for goods in transit, and conveyances for transporting goods that are native to one Gulf country, including ships, were treated like their native counterparts. Trade systems and trade-related organizations were merged together and unified. The Saudi Arabian Authority for Specifications and Measurements was turned into a Gulf authority. In addition, priority in government purchases is given to national products and their counterparts whose country of origin is a GCC country. This helped the countries take advantage of the relative benefit gained by utilizing production capabilities in the Gulf, and it put emphasis on national business for reaping the fruits of joint action in all sectors. It put

special emphasis on the plan to impose controls on the business of commercial agencies and to allow citizens of GCC countries to own stock in those firms.

The impact of the principle of implementing the provisions of the Uniform Economic Agreement gradually was significant: it allowed reason to triumph over improvised decisions. Thus, the ministers' periodic meetings acquired a practical character. These meetings gave the ministers an opportunity to review and correct their decisions as well as an opportunity to seek solutions that would be consistent with conditions in the GCC countries. The principle of implementing the provisions of the agreement gradually gave the ministers an opportunity to satisfy citizens' aspirations, and it made their decisions consistent with the common interests of all parties.

If problems surface every now and then, they are nothing but minor kinks in an abundance of positive phenomena. Such problems are part of a healthy, normal phenomenon. They appear in the early stages of every endeavor, and they may even be helpful in bringing about the ideal situation.

Dr al-Salim asked officials in the ministries of trade in the GCC countries to understand the nature of the trade problems between the GCC countries. He asked them to work together so they can come up with practical solutions quickly in a manner that is consistent with the characteristics of the trade business.

Dr 'Abdallah al-Qawiz, assistant secretary general of the Gulf Cooperation Council for economic affairs, said, "The steps which have been achieved are considered among the most important steps leading to the establishment of a common Gulf market. And establishing a common market in the Gulf would be the first step toward establishing a common Arab market. Any common market has to have three cornerstones. Customs fees must be abolished, and that has been done. The free movement of capital must be allowed, and that was allowed even before the council was established. The only thing that remains is the question of standardizing customs fees paid by the outside world in the GCC countries." Dr al-Qawiz criticized the absence of a resolution on the subject of allowing banks in the GCC countries to open branches in other GCC countries. This is because the ministers do not want to increase the number of subjects on unity between the GCC countries which are pending in front of the GCC countries' executive agencies.

Dr al-Qawiz praised the decree which was issued to protect local industries in the GCC countries from the practice of dumping, which is practiced in the GCC countries by some countries. Crude oil is still the GCC

countries' principal commodity, making up approximately 89 percent of total exports. At the same time, the GCC countries import from the outside world most of what they need in consumer goods, capital goods, and goods used in production.

According to the divisions of the international classification of commodities, the GCC countries' most important exports are coal, lubricating materials, and similar products. These commodities occupy first place among these countries' exports. They are followed by chemicals and then by an assortment of manufactured goods. Machines and transportation equipment follow. As far as imports are concerned, machines and transportation equipment top the list of imports, representing approximately 44 percent of all imports. They are followed by manufactured goods and by an assortment of goods which make up 21 percent of all imports. Miscellaneous manufactured goods follow, and food, cattle, and chemical substances follow those.

There was a surplus in the balance of trade in 1988, but that surplus rose significantly in the first 6 months of this year. This increase is attributed to changes in world oil prices which improved during the first half of 1989 from what they were in 1988. This increase in world oil prices affected the value of exports which rose by 17 percent.

Payables in the services and remittances account, which consist of payments made to contractors, payments for shipping and insurance, remittances from foreign workers, and other expenditures for outside services, declined in most GCC countries because most of the basic outfitting and groundbreaking projects have been completed. Therefore, demand for foreign workers fell too. And yet, the decline in payables was less than the drop in foreign investment revenues. That is why the bottom line in the services and remittances account continued to show a deficit.

Japan is still the biggest market for the GCC countries' exports. It imports crude oil, oil derivatives, and petrochemicals from the GCC countries, among whom Saudi Arabia is the largest exporter to Japan. Saudi Arabia's exports to Japan amounted to approximately \$5.1 billion, or close to 26 percent of Japan's total imports from GCC countries. The United Arab Emirates is the second largest exporter to Japan, providing it with 25 percent of its imports from the GCC countries. Kuwait provides Japan with 12 percent of that country's imports from the GCC countries. But it is the countries of the European community that still hold first place as the largest exporters to the GCC countries, even though prices for European products are high. This is because exchange rates for the currencies of the European community countries are high compared with the currencies of the GCC countries. Japan is the second largest exporter to the GCC countries, and Saudi Arabia imports more from Japan than other GCC countries do. As far as the United States is concerned, the GCC countries' imports from the United States fell last year to about \$4.8 billion,

compared with approximately \$5.1 billion during the previous year. This decline resulted from the fact that Saudi Arabia's share of U.S. imports fell after the U.S. Congress blocked the arms deal which had been requested by the Kingdom of Saudi Arabia.

The Kingdom of Saudi Arabia is turning to Britain and to France to make large purchases of defensive weapons. The kingdom is working with Britain on implementing a huge economic project to establish an economic balance. That project will include the transfer of advanced technology. The fact that there are projects to manufacture electronics in the kingdom has raised the volume of the economic balance project between the two countries to 2 billion pounds sterling. Each country is to contribute half of that amount.

Report Outlines Developments in GCC Projects
44040473 Muscat 'UMAN in Arabic 23 May 89 P 11

[Article: "As GCC Nears Eighth Anniversary, Reports on the Development of Certain Sectors in GCC States"]

[Text] Countries of the Gulf Cooperation Council [GCC] celebrate next Thursday, the day after tomorrow, the eighth anniversary of the Arab Gulf Cooperation Council. On that occasion, the Gulf News Agency disseminated several reports on the development of various sectors in GCC states.

The human resources sector has occupied a position of distinction in the development strategies of GCC states placing the utmost importance on developing human resources and on raising the social and health standards of citizens and residents. Huge allocations were expended on projects for education, health, and other services, such as roads, communications, electricity, water, post, and telephones. The states were interested not only in quantity but also in developing and improving the quality of these services by utilizing modern equipment and techniques.

The fourth issue of the economic bulletin published by the GCC secretariat points out that the GCC population was estimated in 1986 at 18.8 million, of whom 64.4 percent were citizens and 35.6 percent were non-citizens. The population of Saudi Arabia accounts for 70.3 percent of the total population of GCC states. Qatar, on the other hand, was the smallest at no more than 2.1 percent of total GCC population. The aggregate labor force (with the exception of the Sultanate) was calculated in 1987 at 3.1 million workers (native workers). Saudi human resources accounted for 49.2 percent of the aggregate native labor force, which raised the total for native workers.

Health facilities in the GCC states enjoyed considerable expansion and development towards the goal of providing better health care for all citizens and residents. A number of specialized public hospitals have been opened and equipped with the latest medical equipment and the

most skilled physicians. There were some 262 hospitals operated by the ministries of health in the GCC states in 1987, an increase of 4 percent from the previous year.

There were diminishing levels of activity at GCC marine ports which received some 32,900 ships in 1986 dropping to 30,600 ships in 1987. Of the latter, 11,900 ships entered Bahrain and 8,700 entered the United Arab Emirates. Traffic density at GCC civilian airports did not exceed 15.62 million passengers in 1987 for a 3 percent drop from the previous year. Passenger traffic at Saudi Arabian airports in 1987 represented some 42.89 percent of aggregate airport traffic in GCC states.

GCC states had 826 post offices in 1987 for a 1 percent increase from a year earlier. The number of post office box subscribers in GCC states rose to 798,000, increasing at a rate of 9.7 percent in the same period. In addition, special-class mail service now includes express mail, and automatic sorting has also been introduced at most GCC postal centers.

The number of telephone lines in operation rose by 6 percent, to 1.73 million lines in 1987, of which Saudi Arabia accounts for 58.4 percent.

The electricity sector has developed in recent years as a result of substantial support by GCC governments, enabling power companies operating in the GCC states to utilize the latest equipment for the generation of electricity.

Electric power generated in GCC states grew by about 7 percent in 1987 to 87.2 million megawatt/hours while average consumption was 5 percent, or about 88.9 million megawatt/hours in the same year.

Water produced in GCC states in 1987 amounted to 335.2 billion gallons for an increase of 4 percent from the previous year. In 1987, the Sultanate accomplished the highest rate of increase in water production at 28 percent, followed by Qatar at 15 percent. Water production grew by 4 percent in other GCC states.

As to joint media cooperation among the GCC states, its focus in 1988 was to proceed as planned and establish formerly agreed-upon radio and television information centers as well as news agencies. Efforts were made to assure a united stance toward foreign media organizations and to deal with them collectively in accordance with the covenant on "foreign information activity controls" ratified by GCC leaders at their seventh meeting held in Abu Dhabi.

Egyptian Government Labor Cooperation with Libya, Algeria
45040399b London AL-DUSTUR in Arabic 26 Jun 89 p 38

[Article: "Egyptian Labor in Algeria and Libya"]

[Text] In the wake of Egypt's return to the Arab fold at the Casablanca summit, the Egyptian Ministry of International Cooperation began planning an agenda for joint

encounters which the ministry is planning to hold to explain how Egypt's and Libya's capabilities can be put to use in economic cooperation.

Information circulated by well-informed sources says that the number of job opportunities available in Libya for Egyptians is well over 250,000, including all professional, administrative and technical positions in the Libyan public and government production sectors in addition to educational fields.

Concerning the situation in Algeria, the status of Egyptian citizens working in Algeria has been examined with a view to finding suitable solutions to the problems they face and facilitating travel between the two countries.

During these talks, the Egyptian delegation was headed by Ambassador 'Abd-al-Qadir Salamah, director of the consular department of the Egyptian foreign ministry. The Algerian delegation was headed by Ibrahim Tibi. The two delegations discussed reports prepared by the Minister of Emigration and the Interior in each of Algiers and Cairo on residency and naturalization issues, procedures for insuring Egyptian labor in Algeria and drawing up a plan to meet Algeria's demands for Egyptian labor.

450 Libyans Visit Alexandria in One Day
45000174 Cairo AL-AKHBAR in Arabic 20 Jul 89 p 7

[Report by Faruq 'Abd-al-Mun'im]

[Text] Alexandria—Yesterday morning the Libyan ship Tulaytilah arrived in Alexandria from Tripoli with 450 passengers on board. For the first time, the passengers brought along their cars, of which there were 50. Likewise, the fully-booked ship Gharnatah will arrive at the beginning of next week carrying 650 passengers, also from Tripoli, bringing 80 cars with them.

Researcher Alleges Israeli Plot To Spread AIDS Among Arabs
45040399a Cairo AL-AHRAR in Arabic 26 Jun 89 p 2

[Article by Usamah al-Karam: "Iraqi Press Syndicate Course Uncovers Israeli Scheme to Spread Aids Among Arabs"]

[Text] Dr 'Abd-al-Qadir al-Dulaymi, director of the Arab Audio-Visual Research Center, issued a warning about an Israeli media scheme aimed at spreading destructive values among the members of the same family through seemingly serious and neutral programs and writings that emphasize, with great urgency, the spread of the spirit of individualism away from the family spirit.

He also emphasized the perils of launching the Israeli satellite which is aimed, first and foremost, at the application of the self-destruction theory and at turning the Arab human being into a person who does not look beyond his own personal desire at the same time losing the spirit of belonging.

Dr al-Dulaymi referred to the documents which confirm that these programs which are mere forerunners for preparing the climate for the spread of AIDS among the Arabs via AIDS-infected Israeli women, most of whom are not Israeli citizens but rather carry various other citizenships to spread the AIDS among the Arab countries' youth.

This was mentioned during a visit of young Arab journalists to the Arab Audio-Visual Research Center during the training course the Iraqi Press Syndicate held from 10 to 16 June of this year.

Mr Sabah Yasin, chief of the Iraqi Press Syndicate, opened the training course with a speech in which he underscored the importance of such courses to exchange expertise among Arab journalists and alluded to the significance of this course held right after the establishment of the Arab Cooperation Council.

The course included a number of lectures in the various arts of journalism given by a number of professors of journalism and senior Iraqi journalists and some journalists from the World Journalists Organization, headed by Mr Ivanov, secretary-general of the organization, and Dr Kala Rashamandar. The participants also met with Mr Sa'd Qasim Hammudi, president of the General Federation of Arab Journalists, who talked about where the Arab press is going and about the federation's role in deepening the concept of journalistic freedoms and in holding training session in cooperation with the International Federation in Brussels.

Colleague Lutfi al-Khayyat, course director and board member of the Iraqi Press Syndicate, organized several visits to Iraqi newspapers to get a first hand look at their operation.

The president of the Iraqi Press Syndicate took part in the opening of several art exhibits, including a "Life-Art Caricature" exhibit which highlighted the works of Iraqi artist Walid Nayif and the pencil exhibit by artist Walid Ibrahim who created several drawings using pencils of different sizes to express appreciation for the role of the pencil which we used to learn the alphabet.

The Iraqi press community celebrated its 120th anniversary in the city of Basrah in appreciation of the major role it played in repelling the Iranian aggression against this brave city.

The attendees toured the city following the reconstruction campaign and all expressed their admiration for the magnitude of the huge cultural accomplishment that accompanied the reconstruction of this brave city.

The president of the Iraqi Press Syndicate then gave out graduation certificates to Arab journalists who attended the course and Mr 'Abd-al-Nabi 'Abd-al-Ghafur, member of the party's higher body, gave out certificates of appreciation to Iraqi press pioneers.

Then everyone went to the liberated city of Faw where they witnessed the ability and courage of the Iraqi soldier who fought on land where the temperature goes up to 55 ° Centigrade with high humidity in summer and much rain in winter when it turns into salty marshes.

The attendees read Sura I of the Koran for the souls of the martyrs who gave their lives for the sake of regaining pan-Arab pride and dignity and helping glorious Iraq achieve peace.

Bank Report Outlines Measures for Arab Economic Integration

44040476 Doha AL-RAYAH in Arabic 14 Jun 89 p 8

[Article: "Toward Building Integrated Arab Economy"]

[Text] A bank report asserts that the Arab world has not been able to effectively exploit the extraordinary opportunities made available by the monetary surpluses of the last decade to build an integrated and independent economy liberated from foreign shackles.

The annual report of the Arab Bank, Ltd says that the Arab world has continued to face crucial developmental problems, considering that manufactured goods represent 60 percent of this world's imports and food 20 percent. Meanwhile, intra-Arab trade is not more than 7.4 percent of its total foreign trade. At the same time, 95 percent of its exports consist of unprocessed raw materials. Moreover, the Arab world faces negative indebtedness, with the Arab countries' foreign debts estimated at nearly \$110 billion by the end of 1988.

The report notes that what inspires hope for a better future for the Arab world is the relaxation witnessed by 1988 in numerous political crises, led by proclamation of the independent Palestinian state as a fruit of the long Palestinian struggle and with the support of all the Arab countries. The major powers must hasten to acknowledge this state so that the Palestinian people may be able to exercise their rights on their soil.

The report expresses the hope that these positive developments, coupled with the new challenges facing the Arab nation and its future, will provide another opportunity to push joint Arab action toward new horizons of cooperation, especially since economic, food, and social security cannot be achieved for the Arab world within the currently existing formula. An advanced formula of

collective Arab action must be developed to make it possible to accomplish some of what the EEC has accomplished with its cooperation.

The developing countries have not received an adequate share of economic improvement because of the low prices of their main export commodities and of the heavy cost of their foreign indebtedness. The deficit in their balances of payments have worsened, because their foreign exchange resources have not been enough to meet their consumption needs and to service their indebtedness. This has compelled some of them to reschedule and service their debts for nearly 20 years and others to borrow more in order to service their existing debt.

Since the debt crisis erupted in the early 1980's, it has constituted a source of concern for both the debtors and the creditors. By the end of 1988, the developing countries' debts were estimated \$1,320 billion, of which more than 40 percent are owed to commercial banks. Many initiatives have been made to contain this crisis, including the initiative urging creditors to continue to advance loans to the indebted countries in order to enable them to overcome the crisis.

Others have sought to replace the debts by bonds and stocks that are easy to sell or re-discount in the financial markets. Some debts have also been transformed into local investments. But none of these initiatives have received a strong positive response from the lending banks. Meanwhile, the debts have compelled the banks to create reserves exceeding 30 percent the debts in order to face the losses expected from these debts.

This was followed by the banks' refusal to advance new loans to the developing countries and this refusal led to the continued transfer of net wealth to the advanced industrial countries and, consequently, to a further worsening of the developing countries' economic conditions.

In 1988, the central banks of the 10 industrial countries concluded an agreement requiring the commercial banks to maintain capital and reserves of no less than eight percent their total assets after evaluating them according to agreed upon scales of risk. For the first time, the elements of banking activity embodied in unconventional transactions, such as currency exchange transactions and future and long-term interest which ordinarily shows outside the articles of the main budget, have been introduced into the equation for calculating this percentage.

The report says that these requirements have their direct effects on the banks' investment and financing policy, especially in connection with increasing the shareholders' rights and the distribution of profits. This is in addition to increasing the cost of the financing sources and raising the price of banking services.

The world is currently dominated by a ceaseless activity to achieve complete economic openness between several world blocs, led by the EEC. It is expected that all restrictions between the EEC member states' markets will be dropped by the end of 1992.

These efforts have begun to surface clearly in the financial markets and the banking sector in particular. As a result, it is expected that fundamental changes will occur in bank structures. Opening the European market will lead to spreading banking services in the member states without any control or restrictions.

The bank report stresses that these changes will also increase competition among banks and will reduce their profit margins and that this may lead to gigantic banking blocs that take advantage of the new conditions at the expense of the smaller institutions. The report also expects bank clients, whether depositors, borrowers or major investors, to benefit from these changes and to get better services at lower costs.

Competition has intensified in the financial markets to mediate between depositors and borrowers in order to get high-quality investment outlets, insofar as yield and risk factor are concerned, and to provide all kinds of financial and investment services. Non-banking institutions have also continued to compete with the banks for the banks' traditional transactions and services.

Numerous major industrial firms have resorted to financing their operations directly and without banking mediation. These market conditions have led to reduced profit margins and to increased cost of financing sources. The intense competition has also led to innovating numerous new banking products, to developing the old products and to emphasis by the banks on income from commissions as an important source of revenue, in addition to the revenue from interest.

PALESTINIAN AFFAIRS

U.S. Strategy Vis-a-Vis Election Proposals Described

44040506b Nicosia *FILASTIN AL-THAWRAH*
in Arabic 2 Jul 89 pp 9-10

[Article by Jawad al-Bashshiti: "Secret of U.S. Interest in Election; Washington Does not Want Defeated Israel, Triumphant Intifadah"]

[Text] The United States is working secretly and openly to reach a point that represents an acceptable balance of power [nisbat quwa] between the (PLO) intifadah [uprising] and Israel and that enables Washington to implement its slogan: Negotiations through Elections.

The United States is the party pursuing most strongly the issue of election in the Bank and Gaza Strip, considering that Israel is an "occupation force" and that the Palestinians are continuing their intifadah that will not stop

until their political rights as a people are determined and made clear. This U.S. pursuit has expanded and developed since Yitzhak Shamir, Israel's prime minister and leader of the Likud Bloc, launched his political initiative in Washington, incorporating into it a U.S.-originated idea, namely the idea of holding elections for a body that represents the West Bank and Gaza Palestinians in two-phase negotiations to settle the Palestinian issue.

There is no doubt that approval by the latest special Arab summit, held in Casablanca, of the idea of elections in accordance with certain conditions has given the U.S. pursuit new momentum. Within the framework of the U.S. pursuit, there has been slow development in the general political position of the U.S. vis-a-vis the Palestinian issue, and U.S. diplomacy has moved away from the position of inactivity and negativism.

A party's pursuit of a certain issue reflects "interest." At the root of the interest always lies "an interest." What are the interests that make the United States display this increasing degree of interest in holding election in the occupied territories?

U.S. Secretary of State James Baker has described the election idea as the "only game" that should be played in the Middle East now, expressing the opinion that elections are the only way to the political negotiating table between the Israelis and the Palestinians.

To date, Israel has decisively refused to hold direct or indirect talks with the PLO. Israel also rejects, with greater force, a permanent solution to the Palestinian problem based on establishing an independent Palestinian state in the West Bank and Gaza.

On the other hand, the PLO demands, in its capacity as the Palestinian people's sole legitimate representative, to participate directly and fully in peace negotiations that culminate with the creation of an independent Palestinian state.

In view of this irreconcilable conflict between the Israeli positions and the Palestinian demands, the United States has chosen "elections," a new and transitional political compound that consists of two fundamental elements: negotiations between the Palestinians and the Israelis which represent, to a degree, negotiation between the PLO and the Israeli Government and creation in the West Bank and Gaza of a Palestinian political entity that is less than an independent state and more than administrative self-rule.

The main problem currently facing U.S. diplomacy is represented in developing a political formula that insures that an election is held and that negotiations are then begun between the Palestinians and the Israelis to reach an agreement on establishing a transitional status in the bank and the strip.

To achieve this formula, the U.S. administration has declared several principled positions concerning the "permanent solution" to the Palestinian issue.

The U.S. administration is still trying to formulate these positions in a manner that does not completely shut the door in the face of any of the fundamental Israeli positions or any of the fundamental Palestinian demands, because without such a formulation the two parties cannot get aboard the train toward a solution.

It has now become possible to define as follows the interests that lie at the root of the U.S. interest in the election idea:

1. Transform the violent daily clashes between the Palestinians and the Israelis in the West Bank and Gaza into a political dialogue. Moving to the negotiation table on the basis of the current balance of power between the intifadah and Israel is the objective on whose accomplishment the United States is focusing its diplomatic and political efforts. The current balance of power highlights the political need to begin the negotiations, because the given facts of the Palestinian-Israeli confrontation require, according to the U.S. viewpoint, each of the two parties to make the following fundamental conclusion: Israel cannot end the uprising by force, and the Palestinians cannot defeat the occupation with the uprising.

The United States is working secretly and openly to maintain between the intifadah and Israel a balance of power that only makes it possible to move to negotiation through election.

This movement requires a balance between the national dignity of the Israelis and the Palestinians. This balance can be achieved through the Palestinians' development of a positive stance toward the crux of the Israeli initiative and through the Israelis' acceptance of the idea of holding elections before the uprising is ended.

2. Prevent the radical forces from both sides from taking the initiative. The fact is that the current condition in the occupied territories, i.e. the condition of violent daily clashes between the Palestinians and the Israelis in the absence of any serious diplomatic and political movement toward a solution, is likely to bolster the radical tendencies and forces on both sides. It is as if the current balance of power puts the Palestinians and the Israelis face to face with the following option: Either move swiftly toward negotiations through election or destroy the diplomatic accomplishments made so far on the path to a solution.

3. An election will pave the way for a compromise between the Israeli positions and the Palestinian demands—a compromise that largely agrees with the

U.S. concept of the settlement as pronounced in ex-President Ronald Reagan's well-known initiative and as explained and defined by Secretary of State Baker and President George Bush.

It is the U.S. assessment that an election will release a new political dynamic that brings the settlement process closer to the crux of the U.S. vision, while equally distancing it from the Israeli Government's positions and the PLO's demands.

4. Give greater say to the Palestinians in the territories in the Palestinian decision-making process, and make the elected Palestinian body the fundamental nucleus of the negotiating Palestinian delegation. This tendency is in harmony with a U.S. concept that has not been explicitly declared yet—a concept to the effect that the West Bank and Gaza are the geographic area of the political solution to the Palestinian issue and that this solution must serve primarily the interests and aspirations of the Palestinians of these two areas.

Only on this basis can, and must, the problem of the Palestinian refugees abroad find a solution.

5. An election will produce a Palestinian representative body aloof, by virtue of the geo-political factor, from external pressures and influences, especially Arab ones. Even though the United States has, to a degree, dealt positively with the major political steps and decisions made by the PLO since the PNC [Palestine National Council]'s latest session in Algiers, it is still concerned with the possibility that the Palestinian peace initiative may retreat or become inactive under the influence of the external pressures to which the PLO may be subjected.

6. The political dynamism that will be released by an election will lead in the future, according to the U.S. assessment, to the decline of the PLO's influence and to the emergence of new Palestinian political representation based on what Israeli Defense Minister Yitzhak Rabin calls the "internal PLO."

7. A solution scenario that begins with an election enables the United States to undertake a prominent leadership role in the peace process because such a solution postpones convocation of the international conference until the election is held and the first phase of the Palestinian-Israeli negotiations is completed.

It goes without saying that the given facts of the regional and international conditions after completion of the first phase of the Palestinian-Israeli negotiations will be completely different from the present conditions. It is logical and normal that the framework of the second and final phase of the negotiation process will be determined by the new givens of regional and international conditions, not by the old givens. These are the most significant interests lying at the root of the U.S. interest in the election idea.

There is no doubt that explaining the U.S. interest in this manner highlights the optimal importance of bolstering the PLO's negotiating cards within the framework of the "crucial dialogue" between the PLO and the U.S. administration. The election must bolster the PLO's current representative capacity and must be a step on the path to holding an international conference that leads to creating in the West Bank and Gaza an independent state for the Palestinians wherever they happen to be.

'Arafat's Position on Armed Struggle, Attacks Described

44040484a Nicosia FILASTIN AL-THAWRAH
in Arabic 11 Jun 89 p 7

[Article: "Week of Commando Operations in North Palestine"] txt

[Text] The general and leader, Brother Abu 'Ammar, affirmed that the PLO "has not stopped armed action, nor has it asked anyone to stop military action against Israel." He was referring to the border commando operations against Israeli army positions. He indicated that he faced "great pressures for the youth of the intifadah to use firearms against the Zionist criminals, but the decision of the Palestinian leadership was not to use weapons."

The PFLP [Popular Front for the Liberation of Palestine] announced its responsibility for a commando operation that took place on 4 June 1989 near the settlement (Mitsghaf 'Am) near the Lebanese border with occupied Palestine. It was the fourth operation of its kind that the border area had witnessed in a week. It resulted in the martyrdom of three commandos, the death of an Israeli soldier, and the wounding of two others, according to the enemy's military spokesman, who said that the slain man was immediate retaliation.

A week before this operation, the PFLP announced that its fighters had carried out a joint operation with DFLP [Democratic Front for the Liberation of Palestine] fighters in the border area. The operation had led to the martyrdom of two fighters, with two others captured after being wounded.

On 31 May 1989, two commandos were martyred near the town of Marj 'Uyun in the occupied border strip, after an engagement with forces of the enemy and militias of the hiring southern border army.

On the same day, the Israeli Air Force bombed Palestinian and Hizballah positions east of Sidon and at Mashgharah, near the Qar'un Dam in central Lebanon's Biqa' Valley.

Some observers considered these enemy army operations to be a kind of strike against the resolutions of the Casablanca emergency summit, since the Israeli cabinet had held a special meeting to discuss the Lebanese situation the morning the summit ended.

In a related matter, observers noticed an increase in military activity by some factions shortly before sessions of the official American-Palestinian dialogue began.

Palestinian-Israeli Meeting in Stockholm Discussed

44040484b Nicosia FILASTIN AL-THAWRAH
in Arabic 11 Jun 89 pp 26-27

[Article by Qays Murad: "Why Does Israel Want It To Be an Armed Intifadah?"]

[Text] This may be the first time a Palestinian-Israeli military discussion is taking place, albeit between a pro-peace retired officer and a Palestinian military expert who would like to see open borders and a balanced political solution.

One cannot talk about peace in isolation from security arrangements. Such arrangements are what will render the peace agreement permanent and dispel the specter of fear from the minds of both Palestinians and Israelis.

You often hear about guarantees for Israel's security—as if Israel, which possesses the most powerful strike force in the Middle East, were the only one affected by security guarantees!

Under the slogan and pretext of security, Israel launched five wars against the Arabs. In 1967, it occupied vast and extensive territories. It attacked Lebanon twice. Today it is practicing every kind of repression and mistreatment against the powerful Palestinian popular uprising in the occupied territories. Under this slogan, Israel is today evading a response to the calls for peace the PLO has sent out and that have received tangible international support.

Is there really anything for Israel to fear? What kind of guarantees does it want?

What are the fears of the Palestinians? What kind of guarantees do they want?

The third and last part of the Palestinian-Israeli discussion panel in Stockholm on 29-30 April dealt with these questions with analysis from Israeli and Palestinian points of view.

Retired Israeli colonel and historian Me'ir Pa'il based his remarks on changes that have taken place in international positions in light of the Palestinian intifadah and the PLO-led Palestinian peace campaign.

Pa'il thinks that the intifadah will continue, as long as conditions remain as they are, and that those Israelis who believe in a permanent occupation are dreamers.

He thinks that the intifadah in its present form is virtually armed resistance which could develop in the direction of armed resistance. Using military units, intelligence agencies, or other means, Israel will try to suppress the intifadah, or at least neutralize it and separate it from the PLO.

Some Israelis of limited intelligence—as Pa'il puts it—believe that Israel, with its tremendous military strength, can suppress the intifadah by force and defeat it. They think that the Palestinian side is losing more and is becoming more exhausted than the Israeli side. This belief will drive them to turn the intifadah from a virtually armed resistance into armed resistance. This would be the golden opportunity that Israel would exploit to aim a decisive military blow at the Palestinians and then banish a few hundred thousand Palestinians from their homeland, (a transfer).

The Palestinian, Dr Yazid al-Sayigh, a specialist in military and strategic studies, said, "My view is that use of the word 'transfer' (transfer of population, banishment, deportation) gives no idea of the horror of what the word means in reality. I think the repetition and frequent use of 'transfer' in Israeli circles is making it a familiar word, like the advertisements for Coca Cola in China. That is to say, it will turn into an ordinary word. When it is translated into practice, it will find no appreciable resistance on the Israeli side."

The Palestinian scholar warned Israelis and the international community about the consequences of falling into this trap. He charged them with the responsibility of opposing such a course and of setting a limit to the repressive measures Israelis could take. The armed forces should not be used in repression measures, nor should land and property be confiscated. The houses of children who throw stones should not be destroyed. The use of force could—indeed, will—develop. The international family must therefore move and put pressure on Israel to listen to the Palestinian call for peace that the PLO has made.

Peace and Politics—an Israeli View

Me'ir Pa'il thinks that Israeli withdrawal from the West Bank and Gaza in return for peace is the best solution, even from a military point of view.

He said, "Let us imagine that Israel has agreed to withdraw from the West Bank and Gaza and that this area has become a Palestinian state"—this is what he prefers—"or an autonomous area, or one within a federal union with Jordan. None of the preceding political formulas greatly changes the situation in terms of security or militarily."

Pa'il said, "Let us assume that war were to take place between us and the Palestinians and that they attacked Netanya by way of Qalqilyah (the distance separating

them is 15 km). Perhaps they would penetrate through the middle of Jerusalem and try to reach Beersheba and perhaps Haifa, too, with Syrian assistance through Lebanon.

"Despite the fact that the road connecting Haifa and Ashdod via Tel Aviv is like a bottle neck and the weakest link in the Israeli defense strategy, no matter what the size of the Palestinian movement, it will be limited. The Israeli army is capable of cutting off Gaza, cutting the river at Bet She'an, and mounting a counterattack in the Golan area. The result, of course, is well known.

"Therefore, whoever rules Palestine—Mr Yasir 'Arafat, followers of his, or someone else—and whatever form the Palestinian government takes, the Palestinian side will be one that has to fear an Israeli attack, and not the other way around. Anyone who claims that Palestinian moves will take place in stages ending with the elimination of Israel is speaking nonsense.

"If I were sent to speak for the Israeli side in peace talks, I would propose that a number of steps be taken to guarantee the future of Israel's peace and security over the long term:

"1. Adding Jordan to the peace agreement as a bordering state, with affirmation of full freedom for the Jordanian army, on condition that no foreign power be allowed to enter its territory.

"2. A phased Israeli withdrawal to coincide with the building up of a strong Palestinian police force under the supervision of the relevant Palestinian authorities.

"3. Making certain areas in the West Bank and Gaza Strip disarmed zones. If the Palestinians agree, international emergency forces could be headquartered in these areas.

"4. Qalandiyah Airport (in the Jerusalem area, north of Jerusalem, 8 km south of Ramallah) would be the principal airport for the Palestinians.

"5. Formation of a joint unit on an equal basis with the Palestinians to combat terrorism on both sides.

"6. Establishment of small observation points along the Jordan Valley, to be supervised by token joint Israeli-Palestinian units, or these could be replaced by international emergency forces.

"7. Jerusalem would either be divided into two municipalities, Israeli and Palestinian, or would remain one municipality, but with two heads. It would be provided with joint police units in any event."

This is the Israeli point of view that Me'ir Pa'il presented. He ended his remarks by saying, "There is no avoiding reaching an solution with the Palestinians. The Israelis have nothing to fear, nor do they have anything to justify their fear of the peace process."

A Palestinian View

In the view of Dr Yazid al-Sayigh, the most important point in Pa'il's remarks was the principle of Palestinian participation on an equal footing in the solution. This is what makes his proposal balanced from the theoretical standpoint.

Dr Sayigh observed that the world continually talks only about the security of Israel. No one talks about the security of Palestine and the fear of the Palestinians, either those who live under occupation or those scattered abroad.

Dr Sayigh assumed that if there were a settlement and a Palestinian state were established as a minimum acceptable to the Palestinians, the Palestinian state would face a number of kinds of threat from the Israelis:

1. Secret Israeli terrorist groups, composed of opponents of peace and advocates of Greater Israel, might undertake anti-Palestinian terrorist operations no different from the ones they are still carrying on. The settlements that would remain within the borders of the Palestinian state might be used for this purpose.

2. Israeli political and military figures opposed to peace might engage in sabotage unofficially and without the knowledge of their government, or they might plan such operations to open the way to military intervention. They might support secret Jewish movements with money and weapons, as Israel has supported its allies in Lebanon.

3. The threat might come from the Israeli government itself, if it were headed by a person like Sharon, who has openly called for the assassination of Yasir 'Arafat, or if Israeli personalities who prefer force as a means of solving political dilemmas were to take the helm—as shown by the assassination of Abu Jihad to resolve the intifadah.

4. If terrorist operations were to take place from the territory of both sides, a greater reaction is to be feared from the Israeli side, which possesses between 100 and 200 nuclear warheads.

As for the future, Dr Sayigh thought that guaranteeing security depended on grasping the political, economic, and social dimensions and foundations. As long as these things were not taken into consideration, there would be no peace or security either for the Israelis or for the Palestinians. Thus, the provisions of the peace agreement must clearly indicate the importance of strengthening these obligations on both sides.

If the Palestinian state were established in the West Bank and Gaza, it would be very small geographically. It would not constitute a serious threat to the life and security of the State of Israel. The entire Palestinian state would be within effective range of advanced modern Israeli artillery. The Palestinian army, no matter what its numbers and equipment, would never be able to confront the Israeli army.

For the sake of the Palestinian state's future and security, a passage would have to be established between the West Bank and the Gaza Strip, and there would have to be a port to ensure freedom of navigation on the sea. Changes would have to be made in the distribution of reserve ground water, which is something crucial and vital for the Palestinian state.

Dr Sayigh ended his remarks by saying, "If Israel is looking for security and military guarantees, that is its business. We, however, want freedom of political or economic movement, open borders, and balance between the two sides, because balance is the only basis of a just and comprehensive solution between us and the Israelis."

Al-Ghusayn on Insufficient Funds for Territories

JN1807140689 Jerusalem in Arabic to the Arab World
0930 GMT 18 Jul 89

[Text] Palestine National Fund head Jawid al-Ghusayn has said that the PLO is unable to extend full financial support to people in the territories, particularly if all workers there refrain from going to work in Israel.

In an interview with the Saudi newspaper AL-SHARQ AL-AWSAT, al-Ghusayn says the PLO needs \$50 million per month to help people in the territories and that it will not be able to pay this sum because the Arab states do not fulfill their obligations.

The Palestine National Fund head affirms that there is embezzlement and confusion in distributing the donated money which the PLO transfers to the territories, but the PLO is exerting tremendous efforts to put an end to these negative aspects through tightening control over the transfer of donations.

Al-Azhar Religious Institute of Palestine Profiled

44040463 Jerusalem AL-FAJR in Arabic 22 Jun 89 p 6

[Article by 'Abd-al-Salam Musa: "Al-Azhar Religious Institute of Palestine in Gaza: Aspirations, Goals, Accomplishments"]

[Text]

Introduction:

An observer of the educational activity of all institutes at the various levels in Gaza cannot ignore the educational position held by the Religious Institute of Palestine,

known as the "venerable al-Azhar." The observer cannot but record the leading and distinguished role this institute plays in serving and boosting educational activity and in painting it with noble spiritual colors which emanate from the institute's sacred message. This Islamic edifice has been built to be the center of religious enlightenment and to undertake the task of disseminating Islamic culture, teaching religious sciences and Koran memorization and training this nation's children in a manner that enables them to understand the Koran and the Sunnah of God's messenger and to familiarize themselves with the pure essence of the Islamic faith.

Institute's Foundation

This institute was founded in 1954 and its buildings were constructed in al-Azhar Town in Gaza. It has an area of nearly 105 donums located in the southwestern part of Gaza City. It is a part of the official al-Azhar institutes, according to Egyptian presidential decree No 250 of 17 June 1975. Instruction at the institute follows al-Azhar curricula, considering that the venerable al-Azhar supplies the institutes with academic curricula and with religious and cultural books. The institute prepares students for enrollment in al-Azhar higher colleges.

In September 1954, this institute launched its elementary education instruction at a home leased by al-Azhar Committee. In 1957, secondary school instruction was started for 1957-58.

The institute continued to perform its Islamic message until the 1967 war imposed a new beginning on it with the war's heavy damage to the institute. Consequently, its students and instructors dispersed and its main scientific library was lost.

Institute Restoration

As a result of the citizens' awareness of the dire need to restore the institute buildings so that it could resume its educational activities and preserve the Islamic faith, a committee of citizens, called the Institute Support Committee, collected the donations needed to restore the institute, and studies were resumed in academic year 1971-72. The institute had 198 students [that year], of whom 163 male and female students took al-Azhar's secondary school examination. A total of 98 students passed the examination. The following year, 1972-73, a total of 317 students enrolled in the institute, of whom 220 took al-Azhar secondary school examination. A total of 203 students passed the examination and enrolled in the venerable al-Azhar colleges. In academic year 1973-74, a total of 705 students enrolled in the preparatory and secondary stages.

The number of students enrolled in the 1974-75 academic year was 196 male and female students, of whom 79 students took the preparatory stage examination and 725 took the secondary stage examination [figures as published].

Within 5 years from the time it was reopened in 1971-72, this institute was able to graduate 5 classes of al-Azhar high school students, totaling 1,399 male and female students. The institute was also able to secure for these students seats to continue their college studies at al-Azhar University.

The role performed by the institute for education in the Gaza Strip began to be exposed to political influences, especially influences emanating from the Camp David accord and from the disagreements in the Egyptian and Palestinian viewpoints. At the time, the Egyptian Government suspended the enrollment of Gaza students in its universities. Consequently, the institute's major role began to diminish and shrink and the number of college seats available at al-Azhar University began to decrease.

The importance of the prominent position held by this Islamic edifice, embodied in al-Azhar Religious Institute of Palestine in Gaza, comes not only from the distinguished vanguard role this institute performs but also from the fact that this institute is considered a center of religious enlightenment which incorporates several branch institutes that perform a distinguished and significant role in proliferating the Islamic culture. These institutes are:

Islamic University

Since the institute was founded, the plan was to develop it into an Islamic university that includes colleges of shari'ah, religious tenets, and Arabic language. In 1978, the Islamic University was founded as an extension of the Religious Institute of Palestine. Studies at the 3 colleges of this university, namely the shari'ah, Arabic language, and religious tenets colleges, began on 6 November 1978 at al-Azhar Institute halls.

We will deal with the Islamic University in a special report on this deep-rooted academic edifice.

Koran and Islamic Sciences Institute

The Koran and Koranic Sciences Section was founded in 1982. Studies at this institute last 2 years after high school graduates are granted a diploma in Koran and Koranic sciences. In 1984-85, the institute graduated 18 male students and 14 female students. In 1985-86, it graduated 6 male students and 34 female students.

Scientific Religious Guidance Committee

This committee includes a select group of 33 preaching ulema who spread the Islamic culture, give religious speeches and sermons at mosques, associations and schools, conduct celebrations on religious occasions and settle disputes between foes.

Holy Koran Memorization Association

This association was founded in 1960 to preserve the Koran and to teach Koran memorization and singing, along with the Koran morals and ethics. There are in Gaza nearly 32 centers of Koran Memorization Associations distributed as follows:

Northern area: 10 centers. Gaza City: 7 centers. Dayr al-Balah area and central refugee camps: 10 centers. Rafah area: 1 center. Khan Yunis area: 5 centers.

Jurisprudence and Hadith College

Al-Azhar has established numerous jurisprudence and hadith colleges to disseminate the Islamic culture in the various parts of Gaza. These colleges include a select group of the ulema of al-Azhar Religious Guidance Committee in Gaza.

Tasks of Public Relations Department

1. Strengthen the institute relations with the surrounding community.
2. Publish the institute message and various leaflets and publications.
3. Supply the media with news of the institute.
4. Organize the seminars, lectures and celebrations held at the institute.

Al-Azhar Accomplishments

- A. Scientific accomplishments:
1. By 1986, this institute graduated 2,302 students from al-Azhar Secondary School and secured seats for them at al-Azhar University.
 2. It established a scientific library and supplied it with invaluable references.
 3. Supplied textbooks included in al-Azhar curricula.
 4. Developed from the elementary and preparatory school stage to the secondary stage.
 5. Supplied the institute laboratory with sophisticated scientific instruments.
- B. Islamic accomplishments:
1. Founded a scientific religious guidance committee to spread the Islamic call and to provide sermons and guidance in the various parts of the Gaza Strip.
 2. Founded colleges for jurisprudence, hadith and interpretation and for singing the Koran.
 3. Issued RASA' AL-NUR [messages of light] which provides Islamic instructions.
 4. Observed and celebrated religious occasions.
- C. Construction accomplishments:
1. Restored the institute buildings in 1971 with the

help of al-Azhar Support Committee.

2. Added 6 rooms for administration and instruction. The institute buildings now include 35 rooms, a prayer hall and lecture halls.
3. Built al-Azhar Mosque on al-Azhar Town land.

D.

Social, athletic and medical accomplishments:

1. Formed a cooperative fund for the institute employees. This fund consists of subscriptions of one percent of the employees' salaries and it seeks to:
 - a. Provide aid to the members' families.
 - b. Assist needy students.
 - c. Advance cash loans to members engaged in construction projects.
2. The institute pays 50 percent of the cost of its workers' health insurance.

E. Proposed projects:

1. Complete al-Azhar Mosque whose ceiling has already been built and which is similar to Salah al-Din [Saladdin] Mosque in Cairo.
2. Enlarge the institute buildings by constructing a third floor atop the existing buildings to accommodate a larger number of the students wishing to enroll in the institute.
3. Build another lecture hall.
4. Republish NUR AL-YAQIN magazine.
5. Enlarge Gaza's Koran memorization centers.
6. Continue publishing RASA'IL AL-NUR.
7. Make efforts to open al-Azhar community college at the institute in which students study for 2 years and are then granted a diploma.

This is a simple glimpse of al-Azhar Religious Institute of Palestine in Gaza and of the accomplishments made by this institute in the 15 years since it resumed its activities after it had been closed because of the 1967 war.

Today, the institute, like the other educational establishments, suffers from the decrees banning publication, expansion and construction.

Despite this, the institute has been able to gain dozens of seats in the Arab universities.

DFLP Editorial Condemns George Kidnapping

44040506a Nicosia AL-HURRIYAH in Arabic
2 Jul 89 p 22

[Faysal Hawrani Editorial: "Enemies Watching for Mistakes"]

[Text] Regardless of the result of last week's kidnaping, this incident should not pass without taking a stern Palestinian position toward it.

A group has permitted itself to kidnap an American working for an international organization and to link his

kidnaping with public interest. All this has happened at a time when the Israeli authorities are mobilizing all their capabilities to end the intifadah [uprising], focusing on Gaza in particular.

This incident incorporates elements that recall previous times when some people permitted themselves to perpetrate similar acts while sympathy for the Palestinian people's struggle was soaring. They thus harmed the reputation of the Palestinian people and of their national struggle and provided reasons with which the PLO enemies armed themselves to charge the organization with terrorism.

The truth is that the PLO has done well since it started publicly denouncing such acts. It has also done well by publicly denouncing the act perpetrated in Gaza recently.

The PLO's denunciation of terrorist activities meets the simplest requirement in a case like this, meaning that it shows that no official Palestinian circle is connected with the ugly incident. But denunciation alone is not enough.

A frank approach on this point may require some examination of the reasons that make it possible to accuse Palestinians whenever the matter pertains to a terrorist act committed anywhere at all. Here, one cannot ignore the enemies' role, their advance anticipation of our actions, and their premeditated attempts to undermine the PLO's reputation.

But neither can one disregard the impact of past events. It did actually so happen that certain Palestinians hailed terrorist acts before the PLO realized the drawbacks of such acts and began to denounce them.

Before it was abandoned, this position resulted at the time in encouraging certain terrorist acts perpetrated by certain people motivated by faulty concepts of patriotism, by the profit motive, or by both. This was followed by the proliferation of propaganda which resorted to exaggeration in order to depict the PLO as a terrorist organization. Some of the influence of this propaganda has continued to the present.

The fact is that the PLO continues to be asked by numerous circles to prove that it truly renounces terrorism, that it does not adopt terrorism as one of its methods of action, that it does not harbor those who engage in terrorism among its ranks, and that it does not give them any protection.

The fact is also that by ceaselessly denouncing all terrorist acts for years, the PLO has made considerable strides in clearing its reputation of the accusation attached to it in the past.

Insofar as this point is concerned, the PLO has now reached a somewhat sensitive position. The PLO's condition is like that of the survivor of a repulsive malady

with which he was afflicted and for which he became known at one time, thus making others alert to any sign that might indicate a recurrence of the malady.

Herein lies the danger of any act carried out by any Palestinian group that does not take into account the importance of the PLO's reputation and of its need for the broadest forms of support in all countries of the world.

This danger is coupled with a more serious danger because it is always possible that the anti-PLO circles will exploit the ease with which accusations can be made against the PLO and will thus encourage or organize terrorist acts so that they may attribute them to the PLO.

Naturally, it is not easy to avoid this kind of danger as long as it is possible to find Palestinians who can be exploited in the arenas where PLO control is weak and as long as the PLO's enemies are numerous and know that accusing the PLO of terrorism is an effective weapon which they can use to break the links of support surrounding the PLO.

We know that the PLO is aware of the dangers of terrorist action to its struggle and reputation. We also know that when the PLO condemns any terrorist action, it is sincere and truly eager to prevent it. Friends of the Palestinian people and of the PLO who do not believe the hostile propaganda aimed at the PLO are aware of this. So there is no problem in this regard.

The problem pertains to enemies who are on the lookout for, even encouraging the commission of, mistakes. It pertains to these enemies' ability to influence the public opinion which has been nurtured with doubts about the PLO. The PLO needs to convince this public opinion of its policy and to gain its support.

Again, denouncing terrorist acts performs a positive role in this regard.

What remains is for the PLO to find means stronger than the condemnation it expresses after an incident has occurred and after its negative effects have proliferated. The PLO leadership must find such a means to stop some people who tamper with the Palestinian people's reputation and their national interests.

Four Popular Army Leaflets Published
44040489b Nicosia AL-NASR in Arabic
15 Jun 89 pp 14-15

[Article: "Four Leaflets from the Command of the Popular Army in Occupied Palestine"]

[Text] Jerusalem—AL-NASR: Four leaflets were distributed last May by the Popular Army Command in occupied Palestine. The texts of these leaflets follow.

Leaflet Number 2

To our brave fellow Palestinians in the organizations of our fearless popular army:

To all those serving in the popular army everywhere in the country:

These days our Palestinian struggle is being stepped up and moved forward. As our struggle continues, there are illuminating milestones and prominent mileposts along the way as well as major accomplishments and a tremendous moving force of optimism and confidence.

As our heroic and blessed intifadah [uprising] starts its 17th month of life, we find ourselves on the eve of the blessed month of Ramadan, a month that is dedicated to actions based on one's profound faith. As we celebrate the 500th day in the glorious life of the intifadah, we also celebrate the fact that each one of those days has been characterized by heroic steadfastness, continuous wonders, and all-out heated clashes and confrontations in which the name of Palestine was spoken loudly and clearly. During those days the Zionists backed off all the sieges they had set up around the intifadah. In fact, all these sieges were smashed and so were all the waves of terrorism, violence, and insane malice foisted upon us by the Zionist enemy. The Zionists had marshaled against us thousands of their army soldiers and border patrol troops and hordes of unrestrained, resentful settlers. Faced with all that, we were certain that the hateful Zionist occupation could do nothing but acknowledge, both officially and unofficially, that all its measures had failed; all its illusions had collapsed; and all its maneuvers had been foiled. The Zionists' maneuvers had been aimed at suppressing our intifadah and discrediting it to keep it from growing. Our enemy had to acknowledge also that he was powerless in the face of such a sweeping unity in such a profound and far-reaching uprising.

The fact that after 16 consecutive months of our intifadah the enemy ordered the border patrol into the battle to fight against our people, people of all generations, who are involved in our intifadah is an official admission by the enemy that tens of thousands of army soldiers failed in their mission, losing the merit and respect they commanded in the process. Many soldiers have been wounded, many are confused, and many have become so torn emotionally and morally that they had to be reinforced by more soldiers from the barbaric border patrol.

Unofficially, the increased involvement of the hordes of settlers in crimes committed against our people, people of all generations who are involved in the intifadah, means de facto recognition by those settlers that this large number of army soldiers and border patrol troops cannot give them assurance, confidence, or stability. That is why those settlers, acting out of fear, alarm, and a lack of confidence in the future, are taking matters into their own hands and doing what the army is supposed to

do. This is something that Zionist settlers did not do even during the most difficult moments they lived through before the time of our blessed intifadah.

Our brave fellow Palestinians in the organizations of our fearless popular army:

One of the intifadah's most prominent illuminating milestones, which is also one of the major accomplishments of the Palestinian struggle in its quest for total independence and an all-out victory, has been this valuable and unanimous vote of confidence which was given to Abu-'Ammar by the people's representatives in the National Council [PNC] when they elected him president of an independent Palestinian state. Our people have unshakable and unlimited confidence in Abu-'Ammar as the founder of our contemporary revolution. He is the leader of our quest, the symbol of our national struggle, and the strong and loyal protector of our sacred Palestinian decisionmaking. This fortunate step, namely, the election of Abu-'Ammar president of the state of Palestine, is a strong push forward that will lay a strong foundation for our national independence. It was a vibrant, strong, and hopeful manifestation of our independence to all international arenas and gatherings and in all the areas where we have a strong presence and where our action is plain and obvious.

We salute our leader and our president, Abu-'Ammar, who has promoted our cause and our struggle. He carried the burden of our legacy and held tenaciously to our momentous decision. He thereby did everything that would make him dear to us and make us proud of him as time goes by.

Brave fellow countrymen in the fearless popular army: Amidst all this optimism, as the intifadah's actions and contributions to it grow, and as the influence of our intifadah and reactions to it spread throughout the world, our hearts are gripped by one memory that is significant to every Palestinian. This is the first anniversary of the death of the brave Abu-Jihad, our leader and the symbol of our struggle. He was killed by the Zionists with malice, premeditation, and forethought, because they thought and imagined that by killing him they would be killing the intifadah in its infancy. They thought killing Abu Jihad would break the wings of the Palestinian phoenix and make it unable to fly. But they were disappointed in the evil intentions they were contemplating. This was a strong and painful blow: we lost Abu-Jihad, a leader who symbolizes our struggle; we lost Abu-Jihad, the master of Palestinian martyrs, a man whose virtuous blood has been infused into the land of our beloved and valued Palestine. Abu-Jihad's blood continues to flow into our children's hands and to throb in the hearts of brave men in the organizations of our popular army, our strike groups, our youth committees, our popular and professional committees, and our organizations, trade union associations and popular organizations.

Indeed, the blood of the brave Abu-Jihad, our martyr and leader, has been infused into the land so that thousands of brave men may be born on the fields where they engage the enemy. Abu-Jihad's blood has been infused into the land to arm our pure country with the fire that will drive the usurping occupiers out of the land. We salute you, master of Palestinian martyrs. We salute you on the first anniversary of your death, and we pledge to you that this intifadah will continue and will be stepped up until we can claim victory and fly our flag over Jerusalem, the capital of our independent Palestinian state.

Brave fellow countrymen in our fearless popular army: In the face of all that and given all the developments in our Palestinian struggle and in our confrontations on the field, and given the progress we continue to make in our political activity, we are confident that the conflict with our enemy will heat up with every new step we take. We are confident that every step we take will bring us closer to victory, independence, and the achievement of our goals. That is why those of us in the organizations of the popular army must be ready. We must prepare ourselves morally and physically for the more violent and the more sweeping stages of our national struggle. This requires the following:

First, the organizations and structures of the popular army are to be built up and expanded so they can cover all the residential and geographic areas of the country.

Second, we are to participate in all public activities or in all the activities and functions we are asked to perform. In all such activities and functions we must distinguish ourselves by our performance, and we are to be guided by well-informed initiatives. It is participation in such activities and functions that refines and furthers our experiences and increases our competence in preparation for the coming stages.

Third, we are to preserve the spirit of discipline and commitment, and the efficiency of every member of the popular army is to be increased in all fields. Appropriate means and methods for training are to be developed to suit every area so that every member of the popular army can perform the missions he is asked to perform in the best possible way.

Fourth, we must be extremely careful and extremely precise in what we say, how we act, and how we behave to ensure the growth of the organizational structure and the safe and secure completion of our organizations. We must continue to watch the enemy and everything he does so we can block all his malicious actions and intentions.

We salute you, our brave fellow countrymen in our fearless popular army. We salute all our formidable generations who are involved in our blessed uprising. This is a revolution until victory.

Leaflet Number 3

To our brave fellow countrymen, members of the organizations of our popular army throughout the country:

It is indeed the sacred Palestinian stone in the hands of generations of our brave people that is opening the doors of the Elysee Palace to our commander, our leader, and our president, Abu-'Ammar. It is the stone and the creativity of the intifadah that are accomplishing that. The blood of the blessed intifadah's heroes is opening doors that had been closed to the national Palestinian struggle so that our struggle can continue its quest for the goal for which there is no alternative, namely, total freedom and independence and the establishment of our independent, Palestinian state with its capital, the holy city of Jerusalem, which will remain forever the capital of Palestine.

Our damnable, spiteful enemy knows now for certain that the survival of this blessed intifadah and the firm implantation of its roots in the lives of our people gives our people a whole new life. The survival of the intifadah and this new life for our people signify that all the theoretical, political, promotional, and material pillars and foundations upon which the enemy's entity has stood are gradually falling. They signify that all the foundations upon which his odious occupation and his voracious expansionist dreams in our beloved country have been based are falling. The survival of our intifadah also means the total collapse of all the false assumptions which the enemy had been promoting for over 40 years about the soundness of his internal makeup and the democracy of his political life. The enemy can no longer claim that he is an innocent victim and that he is the foremost defender of the victorious western civilization and of western interests in this sensitive part of the world.

For us, continuing the intifadah and maintaining a stepped up pace on all other levels of our struggle signify the gradual decline of all the components and foundations on which the promotional, theoretical, political, and material premises for the enemy's entity and for his occupation of our land have been based. Therefore, the enemy is trying with all his might and doing everything he can to act, conspire, and maneuver to abort the first ingredient in our national struggle at this stage. He is trying to put an end to the continuation and escalation of our blessed and heroic intifadah. This is the sinister and malignant goal which is being eyed by our enemy. He is trying everything and every way, and he is working day and night to achieve his objective, unchecked by any deterrent or any taboo.

The first method which is being used by the damnable spiteful Zionist enemy to achieve his sinister, malignant objective is terrorism. The enemy is employing organized and random terrorism of the worst and most violent kind, and he is doing so very frequently. All people in the world can see with their own eyes that

convoys of the enemy's army, his border patrol units, his Mossad and Shin Bet agents, and hordes of his settlers are raging like rabid wolves and wallowing in blood. Their crimes are greater than those committed by the Nazis and greater than all the barbaric, malicious, and racist atrocities that have ever been committed and can still be remembered. They committed one massacre after another in Gaza, Nabulus, Bayta, and Nahhalin. They are killing our small children deliberately and in cold blood, and they are subjecting all groups of our people to insane spite and hatred. This blind hatred manifests itself in the homes they blow up and destroy; in the flourishing trees they uproot and burn; in the mosques they raid, desecrate, and burn; in the neighborhoods, villages, and camps they subdue; and in the tight siege and total isolation they impose on our communities in the West Bank and the brave Gaza Strip. The enemy denies our people in these communities food and water. Leaders of the Zionist enemy like Shamir, Rabin, Sharon, and others have raised their voices and issued more threats and warnings. They threatened more and higher levels of violence. But as we all know all this is a desperate attempt on the enemy's part to stop the intifadah, to bring it to a standstill, to extinguish its blazing flames, to silence its loud voice, and to stop sweeping reactions to it.

But the enemy is not satisfied with that. As he proceeds with the sinister terrorism he employs, he pursues a course of blatant, political maneuvering and tactics. The statement which Yitzhaq Shamir made about the elections illustrates that. Shamir went to the United States to promote it [the election idea]. This proposal to hold elections under the occupation is the quintessential Zionist conspiracy. Our people rejected it outright, and our leaders exposed it fully and shot it down once and for all. They did that because the aim of Shamir's elections proposal is to use one blow to hurt us in three different ways.

First, he wants to put an end to the uprising. He wants us to lose the most important ingredient of our strength—the continuity and growth of our intifadah. He wants to give the confused, deranged, and disjointed enemy a new opportunity to catch his breath so he can assault us once again on various fronts and in different areas.

Second, Shamir wants us to lose the political initiative so that from now on we would react to events. It is known that the PLO had seized the initiative in the political arena and at international gatherings. The PLO had seized the initiative with the PNC resolutions which were made at the PNC's 19th meeting which was held in Algeria late last year. That in itself was a sharp turn in favor of the Palestinian struggle and how the conflict was being conducted. The enemy and his allies had become accustomed to issuing and holding on to the most important initiatives so that what we as Palestinians and Arabs did would be mere reactions to the enemies' initiatives. At this stage, however, in the midst of the

intifadah and under its fiery roof, this picture changed in our favor and against the logic of our enemies. This is what the enemy is trying to get rid of with all his might.

Third, Shamir is trying to spread a divisive spirit in the ranks of our people inside the country and abroad after realizing that our firmly established and solidly built national unity is the stronghold on whose rocks the enemies' conspiracies would be dashed to pieces. Our strong national unity is one of the most prominent sources of our strength in our persistent national struggle.

These then are the enemy's malicious objectives. His true objectives have been exposed and cannot be hidden from anyone. The enemy's proposals have been rejected, and these proposals have nowhere to go but back to where they came from. This is because our intifadah has persisted. Our people of all generations have been innovative in their involvement in this movement, and they have made great sacrifices for it. Our intifadah has persisted because our legitimate leaders have demonstrated an extraordinary measure of awareness in conducting the conflict.

Faced with such failure, our Zionist enemy will not sit still. Instead, he will launch another attack and step up the waves of hatred, terrorism, tyranny, and insane violence against our people, our generations, and our fearless intifadah. The successive victories realized by our Palestinian struggle and the continuing defeat which has afflicted our enemy in different areas makes us confident that the next stage, which is to come soon, will be characterized by a more vehement conflict between us and the Zionist occupation. It follows then that we, the members of organizations of the popular army, will have to perform the following duties and functions:

First, we have to brace ourselves for a most violent conflict with the enemy. We have to brace ourselves for the adversities which follow involvement in broad confrontations. We must be determined to hurt the enemy, to make him bleed, and to make him suffer losses. This is because this is the only method by which the enemy can be deterred and his terrorist insanity checked. This is the only way to put an end to the enemy's actions and to undermine further his weakness and unsettled internal makeup.

Second, we are to continue expanding our efforts to build the organizations of the popular army in all areas, especially those areas which the enemy is trying to neutralize. This would force a confrontation with the enemy at every point and in every location. It would force the enemy to mobilize more of his forces, and that means placing more material, human and security burdens on the enemy. Communities of settlers along the West Bank and Gaza Strip would lose their sense of security and safety. They would be subjected to pressure and to a moral siege to keep them from putting down roots, and that would make their removal easier.

Third, the organizations of the popular army are to continue their involvement in the many daily activities of the intifadah, especially those activities which engage the enemy by throwing stones, Molotov cocktails, and knives at his troops, soldiers, and settlers. The organizations of the popular army are to participate directly in resisting the enemy's troops, soldiers, and settlers. We must know that participating in such activities and in clashes with the enemy gives us a large measure of experience and makes us competent. Involvement in such activities has also given the organizations of the popular army a large measure of credibility with our great, struggling people who have confidence in them and are proud of them. After all, engaging the enemy, hurting him, and causing him to bleed and to suffer losses are manifestations of the highest forms of struggle which our people love and look forward to with every confidence, affection and respect.

We salute you, brave fellow countrymen in the organizations of our fearless popular army. Let us march forward. Let us resolve to give, to make great sacrifices, and to have confidence in victory.

We wish you a happy anniversary. We have every hope that we will meet again on the fields of a sweeping victory. This is a revolution until victory.

Leaflet Number 4

Brave fellow countrymen, [supporters] of our blessed intifadah, builders of the state of Palestine on the liberated territory of Palestine:

Ever since the beginning of your fearless intifadah, the Zionist enemy has been casting doubts about your national struggle and spreading elements that cause disunity and division in your midst. The Zionist enemy has been disseminating falsehoods in campaigns which are supervised directly by his intelligence agencies. Most recently, a statement was surreptitiously released and circulated by the occupation's agents in the occupied land. That statement, which was dated 8 May 1989, was issued under the name of the Palestinian popular army, but the Palestinian popular army had nothing to do with it.

This statement reeks with the stench of the Zionist general, Shaki Ayers, !! chief of the so-called civilian administration for the occupied Palestinian West Bank. It reeks with the stench of Gen 'Amram Mitzna', commander of the so-called Central District, and it also reeks with the stench of other officers and repressive agencies of the occupation army. The text and the spirit of the statement were no different from those heard on the radio broadcasts which are disseminated by the occupation every now and then through its various media. This statement which was surreptitiously introduced is false in its expressions of sorrow and regret for the loss of the leader, Abu-Jihad. At the same time it attacks Fatah and

Abu-'Ammar, the president of the state of Palestine, the commander-in-chief of the Palestinian Revolutionary forces, our leader, our teacher, and the symbol of our legitimate struggle.

To discredit the course of the Palestinian struggle, the statement also accuses a number of the revolution's cadres of theft. The statement does not attack those people because of who they are, but rather because of their sacred responsibilities which were placed on their shoulders by virtue of the positions they hold in the Palestinian national struggle.

The Palestinian popular army is guided by instructions from President Abu-'Ammar. At the same time, it sees our martyr, Abu-Jihad, as a splendid example of someone who contributed and sacrificed for Palestine. The Palestinian popular army considers any attack on the PLO; on its chairman, Abu-'Ammar; on Fatah; and on a number of the revolution's cadres to be an act that discredits the life and the struggle of the leader and martyr Abu-Jihad.

Fellow citizens of our great nation: What was said in the statement which was surreptitiously circulated about the fact that Fatah had received \$200,000 and had denied any of that sum to the Democratic Front and the Communist Party [is not true]. The least that can be said about such an allegation is that it is nonsense. It shows very little knowledge about the workings of the intifadah and very little knowledge about the nature of its support.

Here is our Zionist enemy, the murderer of our women and our children, rendered impotent by the sacred Palestinian stone and by the successive political and diplomatic successes which were achieved by our leaders. Abu-'Ammar has been at the forefront of those leaders who succeeded on the international scene in favor of our just cause. His success created a state of confusion among the enemy's political and military leaders, and that confusion has manifested itself in the falsehoods and illusions under which they live.

History does repeat itself. The psychological depression with which the terrorist Begin, the murderer of Sabra and Shatila, became afflicted after his failure to achieve his goals in the 1982 invasion of Lebanon is afflicting the terrorist Shamir today. Shamir has been afflicted with psychological depression as a result of his failure to suppress the intifadah and confront the Palestinian peace strategy.

Supporters of the intifadah, fearless vanguard of the Palestinian popular army, soldiers of liberated Palestine: The Palestinian popular army, which places itself under the command of the Unified National Leadership of the Uprising is asking you to exercise greater vigilance and more caution in the face of the enemy's falsehoods and

surreptitiously implanted statements. The Palestinian popular army is asking you to go after those who distribute such scheming statements, those who sold themselves to the enemy.

Long live the fearless Palestinian intifadah! Long live the PLO, the sole, legitimate representative of our people! Glory and eternal life for the dutiful and the pious of our people who lost their lives. The revolution lives until victory.

Leaflet Number 5

To our brave fellow countrymen, members of the popular army throughout the country: With God's help and with the determination of the people, who cannot be subdued or humiliated, our blessed, heroic intifadah continues to live and to grow. Our intifadah continues to grow with contributions from our fearless Palestinian people of all generations. They continue to make new contributions daily in our quest for Palestine. Our intifadah continues to live and to grow thanks to our righteous martyrs whose sacred blood has been infused throughout our beloved country. Our blessed intifadah continues to live, and it grows by leaps and bounds far beyond all calculations and customary expectations. With its activities and reactions to them it has gone beyond everything which the sinister Zionist age had counted on. In the heated scenes of its clashes it announces to us the good news that total victory and full independence will be ours. It also sounds a warning to our damnable, spiteful Zionist enemy, telling him that his time is up and his days are numbered. No matter how much brute force the enemy pretends to have; no matter how much he clings to a vain sense of his own importance; and no matter how much protection he seeks behind iron-clad devices, fire, terrorism, and crime, our intifadah is warning our enemy that his end is near. Although our enemy may cover his ears and his eyes so he can neither hear nor see the Palestinian truth and its image, this vital and active Palestinian presence will continue to attack him over and over again. Our active Palestinian presence will score one accomplishment after another as it moves from one stage to the next.

This is because Palestinian truth does not consist of imaginary assumptions such as those which the enemy clings to. Nor does it consist of falsehoods that are accepted as facts which exist only in the minds of the self-absorbed Zionists. Palestinian truth is this vital action on the field; it is a broad viewpoint; it is a positive reaction to changes; and it is continuous progress which does not come to a standstill.

When looked at from all the points that are visible and when all areas associated with the Zionist enemy are observed, it seems that the Palestinian struggle with its many arms has put the Zionist enemy in a corner. It seems that the Palestinian struggle, at the forefront of which is the forward moving blessed intifadah, has isolated the Zionist enemy from the world. Along with

his interests, his laws, his conventions and his morals, the enemy is being cornered when he is in the worst possible condition, after losing his reputation and his prestige. The masks which Zionists had used for a long time to hide the truth have fallen to the ground. The mask of democracy and that of intelligence and power, which Israel had worn to conceal the truth, have fallen to the ground under the feet of our formidable generations.

Such an enemy is being governed by a combination of fear and terror which keeps him from taking any step in any direction. The enemy is terrified of any response to any reasonable or political invitation. Such an enemy becomes self-absorbed; he argues with his illusions; and his choices are diminished. Such an enemy devotes himself to nihilism, to gloom, and to an appetite for terrorism and crime. He repeats himself so many times that hatred, terrorism, insane violence, and crime become his only language. This is what the Zionist enemy has come to these days. Among his political and military leaders, his army troops, and the hordes of his settlers there is only one standard: that of insane violence, hatred, terrorism, and crime. The Zionist enemy is desperately relying on the United States and on its insistence that he play the role it wrote for him. The Zionist enemy is relying on the United States' absolute bias for him, and on its blatant hostility to our people and our just cause. This is the condition that the Zionist occupation has come to: the massacres at Nahhalin and al-Nusayrat attest to that. The Zionist enemy continues his total siege of the fearless and proud Gaza Strip, and the Zionist occupation has come to a point at which murderous games on video cassettes are heavily promoted by Zionist firms and distributed to Zionist children in Tel Aviv, Petah Tiqwa, Netanya, and in other cities.

The more horrifying and the more dangerous example of that, however, is the abnormal conduct of Yitzhaq Shamir himself, the prime minister of the Zionist entity who publicly and openly incited army soldiers and hordes of enraged settlers to murder. Army soldiers who are conducting themselves in a riotous and unruly manner in our beloved homeland were prodded by the prime minister to kill as many as possible of our children, our women, and our men. They were prodded to kill the citizens of our great nation.

Indeed, the explosive side of this issue now is that not even the Zionist press has been able to tolerate Yitzhaq Shamir's conduct and his abnormal appeals. The Zionist press criticized Shamir and blamed him for crushing what was left of the Zionist entity's reputation. What we are saying is this: Yitzhaq Shamir wants everything to go his way. He declared his failed plan—the election plan to hold elections under the occupation with a view to autonomy. This is the same plan which was declared by Menahem Begin late in 1977. The plan was defeated, and Begin himself went down in defeat with it. How then will Shamir fare with his plan? How will a man who is weaker, more insane and more confused than Begin was,

fare with this election plan in the time of the blessed, heroic intifadah? We are saying that when Shamir's failed plan was declared only to come up against a wall of Palestinian awareness, unyielding strength, and Palestinian action, Shamir unleashed his insane and rash threat, vowing to resort to more violence if the Palestinians do not accept his plan.

This is our principal challenge at the present stage: we are being challenged by the fact that Zionists are once again counting on terrorism. Our mission in the organizations of the popular army is to break the Zionists' reliance on terrorism. We have to turn the tables on Shamir's threat and on the threat made by the gang of criminals who are with him. We have to effect a noticeable increase in the number of soldiers and spiteful settlers that the enemy loses. The Zionist program of terrorism must be turned into curses made against this ugly terrorist. This requires that the organizations of the popular army double their involvement in the intifadah's confrontational activities. They have to double their involvement on days when Molotov cocktails are thrown and people are stabbed. Those within the army's ranks and among the hordes of settlers who are more evil are to be pursued and severely punished. Confrontations must be changed daily and continuously to make the damnable, spiteful enemy know that every confrontation with him using stones, Molotov cocktails, daggers, or knives must make him bleed. The enemy must be hurt, and he must be bloodied. He must be hit forcefully on the head until he wakes up from the madness of hatred, terrorism, and crime.

Time is tightening the noose around the occupation's throat. Time is the moving force behind the waves of insanity and abnormal conduct which characterize the conduct of the enemy's leaders, his soldiers, and the settlers who make up their base of support. Every step forward we take toward a political accomplishment and an achievement on the field is seen by them as a deadly blow. They look upon every such step as one in a countdown marking the end of their hateful occupation. Wherever time tightens the noose around the enemies' neck, we must strike with more force. We must increase their injuries and their bloodshed. We must go on with our organizational, training, and mobilization action programs on various levels so when the right time comes for a sweeping blow, we can be very well prepared and we can be competent.

We salute you, our heroic countrymen in the organizations of our fearless popular army everywhere in the country, at all points and everywhere in all villages, cities, neighborhoods, and camps.

We salute our heroic people who are fighting, and we salute the creative generations of our great people.

Tel Aviv: An Organization for Force 17 Discovered in Janin

Radio Israel announced on 2 June that Israeli troops and the police force of al-Aghwar District uncovered a military organization that is subordinate to Force 17, which

is subordinate to Fatah. Radio Israel also reported that most of the members of that organization were from the subdistrict of Janin.

Radio Israel also reported that 19 persons who are members of that organization were arrested. A series of military operations are being attributed to members of this organization. The radio said that members of this organization were from the villages of al-Zawiyah, al-Ramah, Tayasir, and Janin Camp.

Members of this organization are being associated with a bomb that was thrown on an Israeli bus near Nazareth and with a Molotov cocktail that was thrown into a private car which belonged to the director of Hospitality House in Kefar Hahoreh settlement last March.

Members of this organization are also being accused of placing an explosive device in a public telephone booth in the city of 'Afula in October 1988. They are also being accused in scores of cases that involve throwing Molotov cocktails.

ALGERIA

Poll on Press Liberalization Analyzed *45190096 Algiers ALGERIE-ACTUALITE* *in French 25-31 May 89 pp 19-22*

[Commentary on poll by Akli Ait-Abdellah, A. Metref, Malika Abdelaziz, Dalila Lakhdar and Ahmed Mostefai; introduction by Akli Ait-Abdellah]

[Text] As we go to press, readers by the tens [as published] continue to submit their personal views on the news media debate to the editorial offices of this newspaper. The debate is now more pertinent than ever, as proved by the scope of the controversy recently triggered by the "ALGERIE-ACTUALITE Affair." In times such as these, we feel compelled to publish the results of the poll we undertook 3 weeks ago without further delay.

Between 8 and 17 May 1989, we received 1,023 responses, many of them containing additional thoughts and comments that were as strong as anonymity would allow. The sample evolved from the responses received. As such, it is representative only of those who responded and offers no basis for extrapolation to the entire readership of ALGERIE-ACTUALITE or to the population as a whole. Nonetheless, the significant size of the response (1,023 readers) justifies our desire to consult those for whom the news is intended. Who were our respondents?

- They are from the center of the country (42.8 percent), the west (24.5 percent), the east (25.9 percent), and the south (3.5 percent). Some live abroad (0.5 percent) and 2.8 percent did not provide their an address.
- With the exception of Tamanrasset and Adrar where none of our readers wrote to us, responses came from

everywhere, primarily from Algiers (21.3 percent), Tizi-Ouzou (9.4 percent), Oran (8.2 percent), Bejaia (6 percent), and Annaba (5.1 percent). Constantine, Tlemcen, and Boumerdes were all represented with 3 percent.

- They are 20 years old or younger (3.5 percent), between 20 and 30 years old (25.7 percent), between 30 and 40 years old (42.9 percent), and 40 years old or older (27.9 percent).
- Their education varies from the primary school level (6.7 percent), the secondary school level (3.9 percent), to the university level (54.3 percent).
- Among them are high-school students (3.1 percent), university students (9.1 percent), office and factory workers (19.3 percent), managers (51.3 percent), and professionals (12.9 percent). Some do not work (4.3 percent).
- Most of them are male (93.5 percent) and few are female (6.5 percent); only 66 of the 1,023 respondents are women.

It would be unjustified, we repeat, to claim that the 1,023 respondents represent all of ALGERIE-ACTUALITE's readers or the broad trends in public opinion on the burning issue of the future of news reporting in Algeria. The debate is worthy of broader treatment.

'The Ruminations of Experts' (by A. Metref)

When confined to institutions and professionals, the debate on news reporting inevitably becomes stultifying. It occupies entire columns [and programs] without managing to reach the other side of the invisible barrier where the readers, listeners and TV viewers seem to live. Yet, our poll (even though it is not a model scientific opinion survey, which we knew from the start and acknowledged), proves at least one thing, as seen in the results we publish here today: The fate of news reporting matters to the public.

Is the media debate vital? There is no doubt! But we must be careful not to let ourselves be deluded. In the effervescence surrounding a fragile democratic system taking its first steps toward its future, everything is vital. While the codification of news reporting may represent a decisive moment in an open-ended battle to make democratic ideals the reality, it is not the only piece of legislation to be of such importance. The election laws also represent one of the basic foundations of Algeria's future, and so on.

Perspective is needed and the results of the poll, by their own right, invite us to provide it. First, it must be said that a broad debate is required, not merely out of democratic principle, but because the need has been expressed by those the media wish to reach in the end: their consumers. The right to be informed has to start somewhere and it starts with the public's right to decide what type of press it wants! The responses to the questionnaire give an idea.

Secondly, the ALGERIE-ACTUALITE Affair, which occurred between the time we published the questionnaire and today's publication of the results, raises basic problems. We will not go into it again here. The declaration by the MJA [Algerian Journalists Movement] on the affair defines the stakes as they now stand. It can be added that while some are debating, others are taking action!

Back to where we started? Journalists, as they have said on many an occasion, reject what is ostensibly the final incarnation of the media bill after countless other versions. Why? It takes one step forward for every ten steps backward. In fact, it restricts more than it codifies the constitutionally protected freedom of expression. Finally, it sends us reeling backward into "pre-October journalism," to use what has become a common expression. That is where we stand at this point! Nothing is settled yet, you say? Overall, that is also the opinion of the members of the profession who will not take orders from any authority but one: their professional conscience.

Months ago, ALGERIE-ACTUALITE opened up its columns to contributions on the media. Were we laboring a dead issue? In the inevitable moments of doubt inherent in this trade, the question took on intensity. In the final analysis, the results of our poll have reiterated a basic truth: The news reporting process affects too many people for a limited debate to be viable.

With admirable candor, we thought we had seen the end of the era in which experts in the warm comfort of their offices made the decisions without having to provide any reasons. And yet...

Question 1

Have the news articles published by the Algerian press since October been of interest to you? (100 percent)

Consistently	73.9
Occasionally	18.1
Not at all	8.0

Analysis of Question 1, by Malika Abdelaziz

At first glance, the news under debate closely interests nearly two-thirds of the respondents. In two instances, explanations were provided: "The news is no longer an issue strictly for the professionals, but for the nation as a whole, since it is the nation that needs to be kept informed...." "We are becoming aware of the importance of having a free, objective and unsilenced press." One reader of the 757 in the majority group went as far as to draw a line through the "not at all" category. He writes: "It is impossible not to read these articles, only the opponents of democracy would not read them...." Those are the only comments that address the intended

point of the question. In the space provided for Question 1, 50 out of 1,023 responses included comments that, as we realized on reading them, reinterpret the original question. The 50 commentators shared their views on national news reporting in general, as practiced since October. Did those who merely checked one of the boxes also reinterpret the question?

Three ideas recur among the comments, without a clear majority for any single one: According to some, October was the start—or consolidation—of an “improvement” in the press, for publications a few respondents cited by name. At the top of the list is AFRIQUE-ACTUALITE, followed by EL MASSA, REVAF, and EL DJOUM-HOURIA. This did not prevent respondents from expressing criticism on various points: the quality of articles, the depth of analysis, partisan points of view, restraint in the coverage, or as two readers put it: “The articles are not categorical.” “The press beats about the bush.” In varied terms, 15 of the respondents announce that “the press is still a rubber stamp.”

According to others, October was no more than a brief hiatus: “We had a real press for 1 week.” “The moment has come and gone,” say three respondents, one of whom goes on to say “...and left the discontented to their lonely monologue.”

Finally, there are those who claim that nothing has changed.

The majority response was accompanied by the most comments. But the last remark noted is particularly present in the comments of those who checked “occasionally” and “not at all.” It restates in different terms the credibility crisis in the nation’s news.

Question 2

The future of the news media should be discussed	
Publicly	64.7
By institutions and professionals	23.1
Solely by news professionals	15.7
Solely by existing institutions (the president, government, the APN and the FLN) ¹	3.1
Other	2.5
No response	1.4

1. the National People’s Assembly and the National Liberation Front

(It was possible to give more than one response to this question. The total can therefore exceed 100 percent.)

Analysis of Question 2, by Malika Abdelaziz

That is a definite “yes” in favor of a public debate, as seen in the wide margins separating the different options, but 64.7 percent is a small “yes” when compared with the landslide that might have been expected

in view of the present demands for democracy. The respondents apparently believe that being involved by the press and in the press means reading about themselves in its pages. The majority response was the subject of several remarks:

1) “Public debate should be the rule in all areas. It is the public’s source of enlightenment.”

2) “The press belongs to the people and not to a monopoly.”

3) “It is up to the mature citizens of Algeria to decide their future.” That is the gist of the 10 or so comments made on this point. In roughly equal numbers, comments focused on the type of debate to have. It should be organized in the form of “open conferences at the local, regional and national levels.” It should be conducted “in the workplace and in the universities.” Some respondents, insisting that the debate should be far-reaching, proposed various types of surveys, while one pointed out that, “political parties cannot be allowed to capitalize on it.” A respondent from Algiers suggested another approach: “Institutions and members of the profession first, to develop a preliminary text. Second, a public debate to work out the final form of the bill. Third, passage by referendum.” The suggestion of a vote or referendum, it should be noted, was made several times under the “other” heading.

News professionals are considered a select party to the discussions on the information sector as is evident in the combined total of 39 percent received by the two options mentioning them. The comments referring to public debate support this view since it is suggested in one form or another that the outcome of a “pre-debate” between “members of the trade” should be submitted to the public for a verdict. The purpose is either to compensate for a “lack of courage” attributed to journalists or to benefit from their experience (“a public debate, if sponsored by the pros”). One respondent remarked: “The public understands nothing about the internal workings of journalism.” Was it for the sake of enlightenment that the suggestion of a direct dialogue “between journalists and citizens” was made nine times in varying terms under the “other” category? That is not the sole reason, as pointed out by three of those nine responses in long commentaries expressing similar convictions: “Journalists, our friends, do not give in. We are with you. We, the MJA and public opinion together, are powerful enough to demand the regulations we need for a relatively ideal media.”

Four responses raised the need to establish a theoretical underpinning for the debate, either by entrusting the task directly to “scholarly research” or to “observers of politics, those who are knowledgeable, of course,” or by “taking inspiration from the way the media operate in countries with a tradition of democracy.”

Comments on state institutions abound and go beyond the responses checked (1, 3 and "other"). Some are short protests: "With the present institutions? Out of the question! Absurd!" In seven cases, comments favorable to institutional involvement in the media debate stipulated as preconditions that they conform to the Constitution of 23 February 1989 (autonomy from the state and from the FLN [National Liberation Front], new elections, political pluralism), "become more objective and broadminded in their thinking," or that safeguards, such as public monitoring of their debates, be instituted. In a word, democracy.

Question 3

If there were to be a public debate, how would you participate?	
Through media outreach to the public	88.9
Through political parties and associations	53.3
Inside existing organizations (UGTA, UNJA, UNFA...) ¹	4.8
Other	2.5
No response	1.2

(It was possible to give more than one response to this question. The total can therefore exceed 100 percent.)

1. General Union of Algerian Workers, National Union of Algerian Youth, National Union of Algerian Women

Analysis of Question 3, by Dalila Lakhdar

On the most frequently chosen response, practically no comments were offered. As a follow-up to the preceding question, the question forces the reader to review or clarify the opinion expressed in question 2. The same is true of the second response.

By contrast, numerous commentaries were prompted by the idea of taking the debate into existing organizations (UGTA [General Union of Algerian Workers], UNJA [National Union of Algerian Youth], and UNFA [National Union of Algerian Women]).

The big losers on this question are the FLN and the organizations for the masses. There were appeals for "caution." "The mass organizations, still under FLN authority, do not help and never will help build a credible media. On the contrary!" "The organizations you cite have lost all credibility; they no longer stand for anything." The terms were not kind. There was talk of a "fiasco," of "banishment." The government and power structure remain associated with the FLN. "Radio and television must be freed of the state's monopoly (FLN)." "TV must serve all parties and not just the party in power (the FLN)." There is hope of creating safeguards by associating participation in a debate inside these organizations with outreach by the media.

Ideas that resurfaced frequently in the other responses were "public opinion polls," "broadcast or published roundtable discussions and meetings between journalists and citizens" and "a referendum free of the customary blessing of 99 percent of the vote." "He who controls information, controls power" wrote one of our readers. In the same vein, perhaps we should conclude with the following thought from one of our readers: "The government or a single party must not have a monopoly on the press. That would be contrary to the Constitution."

Question 4

Why is the news today not credible?

Censorship	84.2
State oversight	73.5
Access to sources	58.4
Means	32.9
Competency of journalists	23.1
Other	6.3
No response	0.5

(It was possible to give more than one response to this question. The total can therefore exceed 100 percent.)

Analysis of Question 4, by Dalila Lakhdar

If the news is not credible, it is because of censorship. Whether blatant or insidious, censorship is said to manifest itself "in the lack of a legal framework guaranteeing freedom of expression..., in the publicly displayed allegiance of certain newspaper directors to a dominant party that resorts to censorship, and in the threats and intimidation used against journalists." We have nothing "short of a propaganda press." The youth of October provided "stifled journalists with the breath of fresh air they needed." "The journalist must be freed of all forms of constraint."

Oversight by the state, and therefore the FLN, makes the journalist "a mere state employee" in the eyes of a good portion of our respondents. As a result, "the news is inane, superficial, partisan, and demagogic."

"If the oversight is in good faith, the news can be credible." There is no hemming and hawing on the question of access to sources. It is clearly stated that "it is a journalist's concern. No country guarantees access. You do not open up your own Watergate."

Fourth place goes to means. Often under attack, journalists have on more than one occasion described the conditions they work in. Some of that may have carried over.

Journalistic competence was examined closely from all angles. There is very little leniency for the members of the profession and their superiors: "incompetence of the managers who control the news and shirk their duties." "They serve the government and not the public."

Among the other responses received, there are charges of "the journalist's lack of courage and combativeness, submissiveness toward the government, ignorance of the problems of the day, lack of conviction and respect for the the profession." We end with the opinion of one reader who states that "all the factors cited here contribute to the lack of credibility of the news, but the constant contributing role of journalists surpasses every other obstacle to the dissemination of news."

Question 5

How can the news be made credible in the near future?

By the emergence of a party- and association-affiliated press	60.9
By transforming the existing press into a public service	44.3
By creating private newspapers	34.2
By closing down the FLN's current publications	5.8
By maintaining the press' current public sector status	5.3
No response	

(It was possible to give more than one response to this question. The total can therefore exceed 100 percent.)

Analysis of Question 5, by Ahmed Mostefai

Anything will help, except the status quo. In fact, while many recognize the illness, the remedy seems to obey the law of opposites. The great majority of responses could be described as reactionary. If the object of animosity was white yesterday, it can be nothing short of black today.

Indeed, the new landscape is characterized by the possible emergence of a party press and a private press. That is where the true novelty lies. But privatizing the press or linking it to political parties is far from ensuring total independence and credibility. They, nonetheless, voted massively in favor of this type of press as the most credible. A reaction, but more intelligently, it also represents the hope of seeing competition work to the greater benefit of the reader.

Question 6

Which entity can best guarantee the right to be informed?

An information council totally independent of the government and the press	65.8
Unions and organizations for journalists	55.7
A trilateral information council made up of the government, journalists, and magistrates	28.3
The APN	19.4
The president of the republic	11.7
The ministry of information	5.8
No response	1.4

(It was possible to give more than one response to this question. The total can therefore exceed 100 percent.)

Analysis of Question 6, by Ahmed Mostefai

There is one clear and absolute certainty: Oversight of news reporting is an aberration, hence the overwhelming majority of responses against the ministry of information. The president of the republic hardly fares better but some readers thought it important to note that they continue to have confidence in the head of state as a person.

The National People's Assembly [APN] can play a beneficial role in guaranteeing the right to be informed. But it is the APN as an institution, a vehicle, that is being referred to here because its present makeup of elected representatives is not in favor with the readers. Many said it outright: "yes" to the Assembly of the future, but "no" to the FLN's Assembly.

The conclusion? It seems that preferences lie with an arbitral entity, whether it be independent or trilateral (the government, journalists, and magistrates). Is it the influence of Western institutions or the undying memory of the "djemaas," the sages who worked miracles in the affairs of the community?

It should be noted that trade unionism is not dead since, second preference goes to the journalists' unions. Proof that if you want something done, you are best off doing it yourself. Oversight is losing ground. Long live the citizen!

EGYPT

Apprehension of 3 Jihad Members Extended

JN2807072489 Cairo AL-AHRAM in Arabic
26 Jul 89 p 1

[Text] A new surprise took place in the case of the Jihad Organization members charged with hanging a fellow member to death and dumping his body in a hole in al-Basatin: The Interior Ministry security organs caught the wife of one of them trying to dump a primed bomb into the Nile, having brought it from her husband's house.

Mustafa Sa'fan, al-Khalifah prosecution chief, began investigations under the supervision of Counselor Mahmud Yunis, attorney general of the prosecutor's offices in the south. He searched the houses of defendants Yasin Muhammad 'Ali; 'Adil Zaghul 'Abd-al-Hamid, who is the mufti of the group; and Hafiz Sayyid Ahmad, the owner of the house, in Dar al-Salam. Sound [blank]

pistols; chains; pocket knives; gunpowder tins; nails; and sticks like those used in kung fu, which have been banned at sports and youth clubs, were found.

Important documents confirming the defendants' membership in the Jihad Organization and a large collection of religious books were also found.

The criminal laboratory's technical report, prepared by Major General 'Adil Baha'-al-Din, official in charge of criminal evidence, and Brigadier General Mustafa Husayn, director of the criminal laboratory, affirms that the seized items include primed hand grenades made of gunpowder and locally produced firecrackers, whose explosion causes injuries and burns as well as a loud noise.

The defendants confessed before Ihab al-Halawani, first secretary at the prosecutor's office, to making explosives with the aim of attacking houses of worship and government facilities. The prosecution renewed the apprehension of the defendants for 15 more days and released three other defendants for lack of evidence. It also ordered the apprehension of the brother of the first defendant.

Security Source Explains Muslim Leaders' Feud in Bani-Suwayf

45040396b Cairo ROSE AL-YUSUF in Arabic
12 Jun 89 p 5

[Article by Hamdi Rizq: "Causes of Conflict among Religious Leaders in Bani-Suwayf"]

[Text] An official security source has told ROSE AL-YUSUF that the current conflict among members of al-Jihad in Bani Suwayf, which has left eight persons wounded, is essentially due to disagreements related to organizational aspects within the group itself. He also said that the group Promotion of Virtue and Suppression of Vice is the root of the disagreement, which has split the organization in an unprecedented fashion, since its members were known for sound planning and great cohesiveness.

The source added that the latter group is the most important in the organization and is responsible for carrying out activity related to the constitution and the by-laws issued by the five-member consultative council of the organization, headed by al-Jihad's chief in Bani-Suwayf, Ahmad Yusuf, with Majdi Kamal, Muhammad 'Abd-al-Latif, Muhammad Hashim, and Shaykh 'Abd-al-Tawwab as members. Hisam al-Tubji, the second-ranking member of the organization, tried to secede with the group since he was its founder and responsible for training and arming. He also directed operations, using his three apartments in al-Ramad in Bani-Suwayf as an operations base, and triggered the feud in this bloody fashion.

Al-Tubji withdrew from the group at the beginning of the year, as did others. They were joined by several secondary and preparatory school students. He began to carry out special operations on his own without permission from the leader of the consultative council, leading to the feud.

Al-Jihad's consultative council in Bani-Suwayf, headed by Ahmad Yusuf, ruled that the "dissident" Hisam al-Tubji be killed and his group pardoned. After the ruling was issued, the fighting began with an attack on Mustafa Jad by two followers of the leader of the organization. In retaliation, Walid Fawwaq was stabbed in the chest. The fighting grew in the alleys of Bani-Suwayf, with fierce chases leading to a shocking fight high in al-Jazirah Square, which resulted in the wounding of Nash'at 'Abd- al-Jawwad and Hasan 'Ali 'Uthman and the arrest of nine members of Promotion of Virtue and Suppression of Vice, led by Hisam al-Tubji, who were riding in two Peugeot.

The fighting was preceded by a torrent of mutual personal accusations among members of the organization and accusations of deviant behavior and the most vile types of torture. Al-Tubji's group was also accused of being behind the outbreak of motorcycle and bicycle thefts in Bani-Suwayf.

Pressure Exerted To Balance New Budget

45040396a Cairo AL-MUSAWWAR in Arabic
9 Jun 89 p 11

[Article by Majid 'Atiyah: "New Budget Under Pressure of Difficult Balances!"]

[Text] No other general budget has enjoyed so much discussion of minute details as has the new budget that will be sent to the People's Assembly this week for debate and adoption, going into force on 1 July.

The secret behind so much discussion and dialogue may be the many risks and pressures of policies, which appear ultimately as difficult balancing acts requiring a precise equilibrium to regulate the activity of an entire society during the coming year.

In order to understand some of the factors involved in preparation of the budget, we must note that while we call for rationing and cutting back of expenditures to eliminate an alarming budget deficit, we must also balance this with increased investment to cover society's needs to a certain extent and provide new employment opportunities to many young people. While we try to control inflation, we also stimulate certain prices to fill the resource base in order to meet necessary wage increases affecting almost 5 million government and public employees and almost 3 million persons covered by pensions and social security, who are the providers for approximately 70 percent of Egyptian society. This increase will cost almost 1.5 billion pounds, more than the revenue to be earned by price increases.

For example, increased excise duties on cigarettes could bring in less than 250 million pounds, and excise taxes on the value of goods (as opposed to the current system which imposes a specific duty on goods when a new article is added to this base) have a projected increase of no more than 250 million pounds. Price increases for gasoline will provide no more than 500 million pounds.

The wage and pension increase may be covered by calculating customs duties at the banking market exchange rate for the dollar, which must be done to eliminate the dualism in exchange rates, with its harmful effect on our economic dealings.

The budget appropriates an increase in wages of approximately 735 million for government employees alone, in addition to 450 million pounds for employees of public sector authorities and companies. The cost of the pension increase will be approximately 320 million pounds, for a total increase of more than 1.5 billion pounds.

The government has to find new resources to meet the increase set by the development plan, which this year grows to 9.5 billion pounds, an increase of approximately 4 billion over the last investment estimates under the plan, even though actual expenditures may greatly exceed these estimates. The plan leaves the way open for private sector investments, estimated at approximately 4.9 billion pounds.

The government must look for resources to offset the above in addition to projections of inherent increases in major and secondary resources derived from economic authorities, petroleum, Suez Canal, and Public Sector surpluses, since the budget estimates major resources at almost 20 billion pounds and secondary resources at approximately 6.7 billion pounds, while the total budget is 33.6 billion pounds. This leaves the estimated total deficit at 6.9 billion pounds, approximately 300 million less than the last budget estimate. The budget has established ways of meeting the total deficit up to 6.2 billion pounds, leaving an estimated net deficit of 660 million pounds, approximately 10 million less than in the current budget.

In order to finance the plan, the budget uses funds available to the National Investment Bank, which relies on surplus from insurance authorities, savings, and self-generated public sector resources, estimated at 6.3 billion pounds. The plan may also obtain loans, aid, and grants from abroad up to 3.2 billion pounds, despite the obvious risks of an influx of foreign loans, as long as the government has no other solution, such as prematurely terminating the agreement with the International Monetary Fund.

Because these figures were estimates, during the government's discussion of the budget, optional ways of stimulating resources were made available:

- It was necessary to stimulate savings, so interest rates on savings were increased, which added to available earnings, particularly long-term savings. The government did not greatly increase interest rates on investment credit, as a necessary equilibrium between increasing savings and stimulating investment; that is, providing financing for the National Investment Bank and providing credit to the private sector.
- The final calculation of the previous general budget revealed taxes, customs duties, and excise taxes of 1.3 billion pounds in arrears. Resolutions in the new budget point out the necessity of vigorous collection of these amounts in arrears and settlement of existing tax disputes.
- During the first 5 months of the last budget, 474 instances of tax evasion, customs duty evasion, and excise tax evasion, totaling 676 million pounds, were caught. For this reason, the government stated in its resolutions that inactive Law No. 75 of 1977 considering customs evasion a crime should be reactivated.

Then we come to another equilibrium sought by the budget: rationing expenditures while increasing the commodity subsidy from 1.812 billion pounds, the last budget estimate, to 2.061 million in current budget estimates. While government expenditures are being tightened, it cannot ignore the pressure of price increases and the overall effect they will have on all prices, thereby requiring increased appropriations for subsidies for those with limited incomes.

The balance here is a difficult one—a shortfall in resources—increased investment—increased subsidy appropriations.

The gravest difficulty faced by this general budget may be the outcome of the final calculation of the previous budget, which differed from the majority of the estimates, and with deficit figures double those of the estimates, just what the budget discussions were seeking to avoid. The final calculation of the 1988-1989 budget was 23.4 billion pounds. Although estimated resources were 18 billion pounds, actual resources were 19 billion. However, total current, capital, and investment use exceeded the assessment, reaching 33.4 billion pounds. In other words, the budget deficit increase was 10 billion pounds, making the total deficit at the time of the final budget calculation almost 14.4 billion pounds. The net deficit was over 5 billion pounds, having been estimated at no more than 680 million.

These are some of the difficulties that place a budget plan face to face with delicate equilibria, all of which constitute difficult balances which weigh heavily on discussions of the new general budget.

New Crude Oil Prices Posted
NC2007120689 Cairo MENA in Arabic
1155 GMT 20 Jul 89

[Text] It has been decided to amend the price of Egyptian oil to be as follows, effective 16 July:

Gulf of Suez and Ra's al-Bihar crude: \$15.75/barrel

Bala'im crude: \$14.90/barrel

Badran crude: \$13.65/barrel

Gharib crude: \$13.45/barrel.

Officials Seek Better Agricultural Strategy

45040389 Cairo AL-JUMHURIYAH
in Arabic 15 Jun 89 p 4

[Article by Samiyah Bulus]

[Text] The limited nature of arable land in Egypt and the drop in cultivated acreage have created a great struggle among many crops on a single feddan. Even though the issue of drawing up a chart of the arable land in Egypt is important, it has become very complicated, since world considerations come into it.

The question keeps recurring: should we plant enough wheat to be self-sufficient, or should we plant fruits and vegetables for export and import the wheat? Should we plant clover to produce meat, or cotton for export? Or corn to turn into animal feed?

As the chart of arable land in Egypt has developed in recent years, several phenomena have given cause for worry. The proportion of grain crops in the total cultivated area has dropped from 42.2 percent to 39.5 percent, while the relative measure of fruits and vegetables in the cultivated area rose from 12.8 percent to 16.4 percent.

As Dr Raja' 'Abd-al-Rasul, head of the office of village development, explains, this change is due primarily to the nature of agricultural policies, the price policies which followed, and the multiple means of implementing these policies.

The fact is that the zeal of those who laid down the policies which set the prices of basic agricultural crops while leaving the prices of other less important crops outside of the pricing scope may have caused severe disturbances in the market of production requirements, and caused the farmer to turn to producing luxury goods or those that are less important to the national economy, but which bring a higher net income.

The direct result of this was that private investment and modern application of agricultural technology was directed primarily towards this group of luxury goods, which thus realized high rates of productivity, while the rise achieved in the productivity of basic crops was much less. Thus the results of the agricultural policy are in conflict with its stated goals because the means of implementing this policy are unsuitable.

The Drop in Grains, Basically Wheat

The fact is that the drop in grain acreage, as Dr Muhammad Abu-Mandur, head of the agricultural economics department at Cairo Agricultural [University], explains, is due basically to the drop in wheat acreages from 12 percent in 1970 to 10.5 percent in 1985, and also of rice from 10.5 percent to 8.2 percent. As for corn, its area increased from 18 percent to 20.4 percent. The explanation of that is simply that the farmers stopped growing wheat because it became less profitable compared to competing crops, namely clover and winter vegetables. Even though corn has declined as human food, its relative importance has increased because it has been switched to animals.

Likewise cotton: its area fell from 15 percent in 1970 to 9.9 percent in 1985, and the reason is that its relative profit is less than that of competing crops. Abandoning the growing of cotton has been a characteristic of Egyptian agriculture over the past 2 decades.

Thus if we look at the chart of agricultural land now, we see an obvious change toward fodder and cash crops. This is seen in clover and corn acreages, which make up a large portion of the chart.

From the point of view of Dr Muhammad Abu-Mandur this means that there is a turning towards animal products at a time when we do not have a relative advantage in the production of red meats, nor even of chickens. This turn reflects an inefficient utilization of farm land, and indicates that it is not going in the right direction.

Efficient Utilization

What then is the right way of utilizing the farm land? Should we grow wheat and essential crops, or should we concentrate on fruit and vegetable crops for export?

In this the experts agree that expanding the cultivation of export crops should be subject to certain conditions. The first of these is that a market should be guaranteed, and this requires improving quality and marketing efficiency. Then there should be an attempt to review Egypt's position in the world markets or in light of bilateral agreements with socialist states. Experts believe that this is the only market which can absorb a large quantity of our surplus production, especially since these states take produce of lower quality. Then we could make long-range plans. It might be possible to make reciprocal deals with them in favor of the Egyptian trade balance, and not against it, contrary to the other markets.

Wheat or Clover

On the subject of expanding wheat acreages to an area that can be relied upon, which in the estimation of many must not be less than 2 million feddans, Dr Raja' 'Abd-al-Rasul said, "This will not come about through slogans but rather through mechanisms that must be

worked out. No matter how much we want to expand, at the expense of what crop will this expansion take place? At the expense of clover? This will get us into a very troublesome inflationary cycle in order for me to counter the rise in clover costs and its price, which is up to 15 or 20 Egyptian pounds a qirat [kerat, or 0.195 grams]."

Therefore, we must not sound off the slogan of achieving self-sufficiency because it will not happen, as Dr Raja' says, unless the productivity of a feddan is greatly increased. That is possible, and thus we can say that the gateway to improving the map of agricultural land in Egypt, besides redistribution, proper use, and repairing the machinery, is for us to have the right combination which would give the crops whose acreages we wish to expand a relative advantage, not by statute nor by increasing prices, but by a composition which would make investing in them rewarding.

Through the stated goals, we will try to maintain the price of essential crops, for the result of price restrictions being set on essential crops but not on other marginal crops was that, although productivity of all crops rose, even that of corn and wheat, the rise in the essential crops was lower, while we see that the productivity of strawberries, cantaloupe, cucumbers, and the rest of the luxury crops rose by a high percentage.

All Countries Intervene in Agriculture

Here a question arises: should we return to requiring the farmer to follow a certain crop rotation? Or should we leave him free to grow what he wants when he wants?

There is no country in the world that does not intervene in agriculture, as Dr Raja' says. All countries, whether socialist or capitalist, set primary plans through which they define what they expect to achieve in the way of agricultural crops, and they intervene in varying degrees according to the nature of the system in implementing these plans according to executive policies. They do not leave matters to each producer to work apart from the national plan of his country; rather they define the area, nature of the crops to be produced, marketing and export. All of it is subject to real indicators, while a certain amount of freedom is allowed. We want no more than that so that we may know what we are doing.

Dr Abu-Mandur agrees with him, saying: "I am against state intervention which does not encourage the producers to produce designated crops, but I am also against freedom in the sense of utter confusion. For example, some studies say that the next war will be a water war, so how would freedom be consistent with the need to manage water consumption, it being the scarcest element now in Egypt?"

A New Strategy

Dr 'Abd-al-Salam Jum'ah, commissioner of the Agricultural Research Center and head of the Central Seed Administration, has announced a new strategy which will change the lines on the map of agricultural land:

"We now grow perennial clover on 2.2 million feddans, besides the acreages of sown clover. We will cut half a million feddans from this area, to add it to the current wheat acreages of 1.4 million feddans to get an area of around 2 million feddans in the old land; we will also raise its productivity in order to get to the point of security.

"I will make up for the decrease in clover acreages, increasing its productivity by 20 percent by sieving the seed and cleaning it of weeds which compete with the clover. We are now building a new sieving station to stand alongside the two existing ones so that we can achieve this goal.

"As for corn and sorghum, we grow maize on 1.9 million feddans and sorghum on half a million feddans. In the new plan, we aim to cover an area of a million feddans with maize of single-crossed hybrids, which yield 30 ardabs [ardeb, or 198 liters] a feddan, thus giving the same overall yield as the entire area.

"All seed companies have been told to produce enough single-cross hybrid seed for the million feddans.

"Thus I will save 900,000 feddans. I will plant 500,000 to popcorn for chickens to save the chicken farms which have stopped production and whose value is estimated at 10 billion pounds. This area will produce 2.5 million tons of corn.

"As for the remaining 400,000 feddans, I will convert them to green summer fodder for other animals.

"In order for me to redraw the map of agricultural land, I keep our stated national goals before me: self-sufficiency, lowering the balance of payments, and improving the population situation.

"I will define the performance of the agricultural sector in achieving these goals, then I will determine to what extent this sector has achieved these goals. That is the basic criterion."

Hulwan Steel Workers Stage 1-Day Protest 45000171 Cairo AL-SHA'B in Arabic 18 Jul 89 pp 1,9

[Report by Rabi' Shahin]

[Text] Thousands of workers at the Hulwan Iron and Steel Mill announced a strike at their place of employment from 0700-1900 Wednesday as a protest against the decline in their standard of living. A disaster almost occurred when State Security Investigations tried to take

over the strike site and arrest some of the workers whom the company's chairman of the board had charged with extremism and inciting the workers to rebellion. The workers threatened a fierce confrontation using torches if the security forces tried to take over the site or arrest any of them.

The Cairo director of security and the assistant interior minister for Cairo South came to the site immediately and promised the workers that they would bring their demands before the authorities.

The workers announced their protest of the decline in their standard of living due to their lower wages, incentives, and compensation. Worker representatives presented a note to the board of directors that included their demands for increased incentives and compensation. However, the chairman of the board brought charges before State Security Investigations against Muhammad Mustafa and other members of the board of directors who had supported the workers. He also initiated disciplinary action against them.

Court Rules Against Interior Ministry Decision 45000172 Cairo AL-SHA'B in Arabic 18 Jul 89 pp 1,9

[Report by 'Amir 'Abd-al-Mun'im]

[Text] The Administrative Court has ruled against forbidding any citizen to travel or withholding his permit to work abroad unless he defies allegiance to the country or fails to fulfill his political or military obligations.

The court added that detaining a citizen more than once is not considered a justification for withholding a work permit or forbidding travel.

This came in a case filed by Shaykh Ibrahim Abu-Talib of the Muslim Brotherhood against the Interior Minister. The court decreed the cancellation of a decision by the minister refusing to grant Shaykh Abu-Talib a permit to work abroad and forbidding him to travel.

The Interior Minister emphasized that he had decided more than once to arrest the plaintiff for spreading anti-government ideas and principles.

IDB Finances Spare Parts for Public Transport 45000173 Cairo AL-AKHBAR in Arabic 3 Jul 89 p 6

[Text] At the Islamic Development Bank [IDB] headquarters, in Jeddah yesterday, the IDB signed a loan agreement obligating the bank to finance the import of spare parts for Egypt totaling \$4.5 million.

'Abd-al-Rahman Hirzi, the IDB's lawyer, signed the agreement for the bank, and Mahmud 'Awni, chairman of the board of the Public Transportation Authority in Cairo, signed for Egypt.

IRAQ

Report Provides Details on Khayrallah Helicopter Crash

44040498 London AL-TADAMUN in Arabic
19 Jun 89 p 9

[Article: "Technical Report on Crash of Gen 'Adnan Khayrallah's Airplane Made Public 40 Days after His Death"]

[Text] The 40th day after the death of Gen 'Adnan Khayrallah, Iraq's minister of defense and deputy commander in chief of the armed forces, happened to fall on 11 June 1989. Gen Khayrallah died in a helicopter crash. It turned out later that Gen Khayrallah himself had been flying the aircraft.

Iraq's Ministry of Culture and Information held a memorial service on that occasion, and the technical committee's official report on the accident was made public the same day. The technical committee, which was formed immediately after the accident, was made up of representatives from the air force, from the air force command, and from the air defense. The committee also included representatives from the Department of General Military Intelligence, from the Department for Public Security, and from the Agency for Military Engineering and Intelligence.

The report indicated that Gen 'Adnan Khayrallah had been the first pilot on the helicopter. This meant that he was flying the aircraft himself. The others who were with him were Lt Col Pilot Samir 'Abd-al-Rahman, second pilot; Maj Pilot Sa'ib Nu'man Mustafa; Barad Jasim Muhammad Salih, aviation technician; and three of the minister's proteges.

The report mentioned that the accident happened in an area south of al-Quwayr Village, near the al-Mawsil-Kirkuk Highway and also near the Irbil-Makhmur Highway, one mile south of Mulla Qarah Village. This is a barren, uncultivated area of land inhabited by some nomad bedouins who tend sheep in (Buyut Shi'ar). It is an area that contains no natural or man-made obstacles.

The report mentioned that the aircraft had taken off at 3:35 on 5 May 1989 from the northern area of Ninawa Governorate on its way to Baghdad. According to eyewitnesses on the scene, the sound of a helicopter was heard at 5:30, and that was followed by the sound of an airplane crashing nearby. Afterwards, a group of civilians (shepherds) went to the scene of the accident. The casualties and the wounded were evacuated from the scene, and the accident was reported to authorities.

The report also mentioned that an examination of the wreckage revealed no evidence that a technical malfunction had occurred or that there was an in-flight emergency. The technical committee noticed no signs of fire or an explosion occurring in the air or on the ground.

The report revealed that 10 minutes after the aircraft had taken off, the pilot had requested a change in his flight route to avoid a storm. Four minutes later he reported that he was going to land in an area northeast of Makhmur because weather conditions were poor. He said that he estimated that he would be landing at four o'clock.

Among the facts it reported, the report mentioned that the aircraft had landed exactly where the pilot had reported he would land. After staying on the ground for 1 hour and 26 minutes, the aircraft had taken off once again. Four minutes after taking off for the second time, the pilot reported that he was returning to the spot where he had landed because weather conditions were poor. He said that he would not be able to continue flying to al-Mawsil. The necessary measures were taken in that regard. Two minutes later, however, when the radio operator [qati] radioed the airplane, he received no reply from the pilot, and he thought the airplane must have landed in the area. At 7:10 the radio operator was notified by telephone when the Radio Operations Center called to report that the aforementioned airplane had crashed and had been wrecked. The report makes the following conclusions:

"It is clear, in reference to the foregoing, that the accident was caused by the fact that the aircraft was in an unusual position as it approached the ground. This was due to poor weather conditions and to poor visibility as a result of dust storms. According to meteorological reports and testimony from eyewitnesses, the crew lost control of the aircraft because of these conditions. As a result, the aircraft crashed. It descended in a steep trajectory, leaning slightly to the left, and it hit the ground at a high rate of speed."

ISRAEL

'Sicarites' Threaten Rishon Letzyon Mayor

44230127b Tel Aviv HA'ARETZ in Hebrew
18 May 89 p 1

[Article by Re'even Shapira]

[Text] A threatening letter, with a gun shell inside, and signed by the Sicarite organization, arrived the day before yesterday at noon at the home of Rishon Letzyon mayor Me'ir Nitzan. The letter said that the Sicarite organization would take action against Nitzan and would get him because of "his contacts with the Arabs."

It seems that those who sent the letter intended to threaten Nitzan in the wake of contacts and agreements that he had made with heads of local Arab authorities regarding his candidacy for the position of chairman of the local authority center. Nitzan is the Ma'rakh [Labor Alignment] candidate for the position of local authority

chairman, and he rejected appeals by Likud to reach an agreement whereby he would be deputy chairman of the local authority center and Likud member Maqsim Levi would be the chairman.

Nevertheless Nitzan did reach an agreement with heads of local Arab authorities to support him, in return for which two of five deputy chairmanships of the local authority center would go to Arab authority heads.

Following receipt of the threatening letter, an investigation was begun by police and security bodies. A blackout was imposed on the investigation, and it was transferred to the Tel Aviv central police unit, which is in charge of the investigation to expose the body that calls itself 'Sicarites.' At this stage it is not clear whether those who sent the letter to Me'ir Nitzan belong to that body, or whether it is a matter of a private initiative on the part of someone who is using the Sicarite name. Thus far, despite the efforts of police and the use of varied investigative methods, no significant progress has been made in the police investigation of the Sicarites.

Committees Formed To Arbitrate Arab Land Disputes

44230127c Tel Aviv HA'ARETZ in Hebrew
25 May 89 p 13

[Article by Atalah Mansur] txt

[Text] The refugee question has left difficult traces in its wake for Israeli Arabs. Tens of thousands were cut off from family members. Apart from this trauma, the disconnection has also caused a fragmentation of rights to hundreds of thousands of parcels of land of various sizes. Almost every Arab village family found itself, on the day after Independence Day, in forced partnership with government bodies "representing" those family members no longer in Israel (initially, the official in charge of absentee property, within the Treasury Ministry, and later, the Israel Land Authority, subordinate to the Agriculture Ministry). Tens of thousands of citizens have tried their hand against the government bureaucracy and have conducted prolonged and exhausting negotiations to come to closure on land exchange or the purchase of parcels belonging to members of their families.

Many have failed to conclude the negotiations. There were those who decided that they had more right to use the property of their absent brothers and family members than did the government officialdom. Disputes over this have fed the prolonged bitterness of Israeli Arabs. This week Agriculture Minister Avraham Katz-Oz announced the formation of five local committees to eliminate the friction. Every owner of a disputed parcel of land will be invited to such a committee. The committees are to conduct expeditious negotiations to solve the problems through exchange, agreed-upon division, sale, or purchase.

Katz-Oz, who has shown interest in serious activity within the Arab sector, was stung by the charge that he had come out for the right to transfer Arabs from the Galilee to the central part of the country. He says that he said exactly the opposite. In his opinion all of the programs to Judaize the Galilee have failed. He suggests developing local industrial plants in the Galilee for the benefit of all the inhabitants of the area, both Jews and Arabs. He proposed developing a network of highways from the Galilee to the central part of the country in the hope that this would serve as an incentive for Jews working on the coastal strip to live in the Galilee. The same network would encourage Arabs who want it to be able to work in the central part of Israel.

Fears Expulsion to Palestine

The coexistence of Jews and Arabs in Israel is shakier today than at any time since the founding of the state. The Arab citizens of Israel stand at a crossroads. The events of the intifadah [uprising] have had a bad effect on relations between the two sides, and political culture in Israel has been laid bare for all to see as a culture of force. So said Dr Majid al Haj of the University of Haifa on a day of study devoted to "Identity and Coexistence" held at Giv'at Haviva under the auspices of the national conference on the future of Arab education in Israel. Dr Haj warned against giving legitimacy to racist expressions by Israeli public officials, like Nahariya mayor Jaqy Seveg, who follow in the footsteps of Rehav'am Ze'evi and suggest various versions of expulsion of Arab citizens from their homes. He protested the decision of a judge in Israel that the throwing of a Molotov cocktail by a Jew against Arabs could not be compared to the same cocktail being thrown by Arabs against Jews.

General Haraven of the Van Leer Institute in Jerusalem recommends that Arab and Jewish educators in Israel teach common citizenship based on opposition to any attack on citizens' rights and warned against Israel and the Palestinians sinking into a mire of hatred to the point of making themselves despised in the enlightened world, as has happened in Lebanon.

Dr Sharif Kna'ana, an Israeli citizen teaching at Bir Zeit University near Ramallah, said that the definition of Arabs in publications of the Central Statistics Office and in other Israeli government publications as "non-Jews" befits a herd of cattle and expressed surprise at the fact that the Jews, who had not given up their national identity for 2,000 years, expect the Palestinians to forget their national identity after just a few dozen years. In his opinion there will be real prospects for Jewish-Arab coexistence in Israel only after the right of Palestinians in the territories to self-determination is realized and after there is full citizen partnership among the citizens of Israel. He believes that the Arab citizens must be brought into the peace negotiations to assure that they are not expelled to the Palestinian state in the framework of the Israeli-Palestinian agreement.

Why Don't They Go To Work?

In Nazareth about 14,800 people are employed today, with the proportion of women in this group not exceeding 18.5 percent—that was the conclusion of a survey conducted by Rodina Jera'isy, the Na'amat secretary in Nazareth. The proportion of women in the overall Arab work force stands at 15 percent (in the Jewish sector, women make up more than 40 percent of the work force).

In Nazareth there are 2,650 working women, of whom about 1,300 are married. 72.5 percent of the female workers finished high school and 33 percent had more than 13 grades of education.

Jera'isy presented the findings of the survey she conducted on a study day held in cooperation with the mayor of Nazareth, Tufiq Zi'ad, the secretary of Na'amat Ma'sha Lubelsqy and a group of Arab women community activists from Nazareth including lawyers, accountants, and social workers.

Zi'ad claimed that more Arab women are ready to go to work, but Nazareth does not have suitable industry. Ma'sha Lubelsqy argued that the problem is the conservatism of Arab society. But the female Arab participants rejected that claim and said that many young Arab females go great distances to study and prepare themselves professionally, but they cannot be absorbed into the work force in Nazareth. The principal complaint against Na'amat and the Histadrut [Federation of Workers in Israel] is that in Nazareth there are only seamstress courses, and the Histadrut has not bothered to set up a single plant there for decades.

IDF Permits Employment of Arab Labor 44230143c Tel Aviv HA'ARETZ in Hebrew 27 Jun 89 p 13

[Article by Ze'ev Schiff]

[Text] The degree to which Israel has become dependent on the labor of Palestinians from the territories, and the extent of our ruination as regards this, is demonstrated by the construction of certain security structures in certain regions. For security reasons, we won't mention the locations. This is the story of one structure. The construction expenses come to many millions, and the monies have been budgeted and prepared. It was decided that entry into this structure, even while it is under construction, would be permitted only to persons approved by security personnel. It was determined that only Jewish laborers and Druse army veterans could work there. These were the terms laid down for the contractors. This was the practice in the past, as well.

It became clear very quickly that there was a yawning gap between the decision and implementation. The contractors did not find enough Jewish laborers. They even had

the assistance of the Unit for Directing Soldiers of the Ministry of Defense in order to contact recently demobilized soldiers in the region. But few took the offer.

Most of those who were willing to try worked for a few days and then left. They complained that it wasn't worth working hard for such small wages. Many unemployed persons are registered at the regional Labor Exchange, but nothing persuaded them to take up the offer. The contractors had no choice but to look for Arab laborers, including laborers from the territories. The security personnel would not agree. At one stage, the IDF [Israel Defense Forces] announced that it was halting work at the site.

No one was impressed. The unemployed didn't come and the young Jews didn't want this difficult work. No one could compel them to come. In the past, in the '50's, when a difficult route to Ein Gedi had to be built, NAHAL [Fighting Pioneer Youth] soldiers were mobilized for the task. It was regarded as an important pioneering project, and not as toil. This sort of work was done, for example, by Palestinian Jews who enlisted during the Second World War in the Palestine Regiment of the British army. In the IDF today, no one had the idea that soldiers could also build the structures that would serve themselves daily. Such tasks also could be assigned to some of the youths that the IDF does not generally call up. In this manner, they could learn the building trade.

The end of the story: When there was no other choice, it was decided to change the security instructions.

The contractors began to hire laborers from the territories for this job also. They are working not only in Tel Aviv, in Haifa, and in Jewish settlements in the territories, but are also helping to build an IDF structure. The work continues normally except, of course, on Moslem holidays or when the IDF imposes a curfew on the territories and the laborers are unable to come. If things go on this way, the day is not far when we will also ask the young Palestinians to take the places of the soldiers, as well.

Kidneys Obtained From Egypt for Transplant
44230127a Tel Aviv MA'ARIV Weekend Supplement
in Hebrew 19 May 89 p 10

[Article by Yitzhaq ben Horin]

[Text] On the night of 2 February an Israeli traveler arrived on a flight from Cairo and was immediately detained when the plane landed at Ben Gurion airport. Israel Zargari, 32, from Zikhron Ya'akov, had something to declare. Within his thin body he was carrying something very precious that he had purchased abroad. He headed directly for the green lane and was stopped by police. They presented him with an arrest order. "I had a kidney transplant in Egypt," he told the policemen, but they didn't believe him. His recent aggressive behavior

did not add to his credibility. In the months before the kidney transplant, Zargari ran up charges for disorderly conduct, assault, and disturbing the peace. "I could have killed someone to save my life," Zargari apologized.

Israel's struggle for life had gone on for years. At times he had become disorderly at the "Halel Yafe" hospital in Hadera where he had his dialysis done. The pain drove him crazy. He lost his senses and the doctors and nurses felt the strength of his arm. A judge issued an arrest order for him just at the time he was on the operating table in a private hospital in Cairo and became the first Jewish Israeli—and, thus far, the only one—to receive a kidney in Egypt. He got the kidney in exchange for cash from a 23-year-old Muslim girl.

Egypt is the great dream of many people with kidney disease in Israel, who wait shamelessly for the relatives of a deceased to donate his organs. In Egypt you can buy a kidney from a live donor. For example, a poor farmer may be willing to part with one of his kidneys for thousands of dollars. In Israel the removal of a kidney from a living person for transplant is only permitted among family members. That is also the law in the government hospitals in Egypt, but in private institutions there it is a different story.

'Isha Samra, 37, from Tira, was the first Israeli woman to undergo a kidney transplant in Egypt in August 1987. The doctors removed the kidney from the body of a healthy man. The price was \$20,000. In May 1988 Musa abu Zahri, a bedouin from the 'Azama tribe in the Negev, received a transplant in the "Al Salam" hospital in Cairo. The donor, 28 years old, married, and the father of two children, parted with his kidney for \$22,000. Thus far 18 Israeli Arabs have undergone kidney transplant operations in Egypt. Three of them have died.

Egypt's great sensitivity about its good name has sometimes caused problems for Israeli Arabs seeking treatment. In December 1987 in Cairo, MK [Member of Knesset] Muhamad Mi'ari of the "Progressive List for Peace," met with Yasir 'Arafat's brother Fathi 'Arafat, the director of the Palestinian hospital in Cairo, to bring about a renewal of treatment (which had been temporarily stopped) for Arabs from Israel. The name of 'Arafat's brother kept popping up when Jews tried to arrange hospitalization in Cairo. In two instances Jews were sent to get written authorization from Dr 'Arafat to carry out the transplant. In one case, Dr 'Arafat delivered the requested letter.

Several Israeli Jews these days are making the rounds of private clinics in Cairo in pursuit of a kidney, handing out dollars and hoping to buy a new life. One kidney patient now in Cairo told me: "They told me that they don't give to Jews. I think that if I can get my hands on \$50,000 to \$60,000, I'll be able to set it up. I want to either have a transplant or die. What do I need this kind of life for! If they ask, I will convert to Islam. Even that.

Anything." His disappointment is not affecting his will. He knows all the stories, which pass from mouth to mouth among the kidney patients, including the story of 'Ezra, who went to Cairo looking for a kidney for his 29-year-old son Nisim.

'Ezra: "My son got sick just when he was about to get married. We waited for a donor, but meanwhile his condition deteriorated. I decided to go to Egypt. A year ago I traveled twice to look for a kidney. The doctors said that when I brought a donor they would talk to me. I went looking for one in the villages 350 km from Cairo. I was deathly afraid. When I brought a donor, the doctors turned their backs on me because I am a Jew. I wasted \$5,000 and went back home. I realized there was nothing for me to do there."

Avraham 'Ida, 45, from Petah Tiqwa, married and the father of four, got sick 2 years ago, heard about the Egyptian option and went there 8 months ago on an organized tour. An Arab from Nazareth directed him to the clinic run by nephrologist Dr Muhamad Radu'an. 'Ida: "I introduced myself as an Israeli Jew, and he told me, 'No problem, within 3 weeks you'll leave here with a new kidney.' I asked how much it would cost, and he answered, 'about \$20,000.' I had my dialysis with him and returned to Israel. Two weeks later I went back to Cairo for checkups. Three weeks turned into 3 months. I traveled five times to Egypt and blew \$10,000.

I am from Iraq, speak Arabic rather well, and realized they were using me. For a tissue analysis they take between 40 and 350 Egyptian pounds. From me they took the maximum—350 pounds. I spent all the holidays there—Rosh Hashana, Yom Kippur and Sukot. After each examination they would string me along with the answer. They told me, 'Come tomorrow,' and took money for dialyses and checkups. With the tissue analysis they stuck it to me for 2 weeks. When the result came, the doctor smiled: 'You're in luck. Three donors are compatible with you.' He strung me along for another week. Meanwhile my visa expired. I was dying to go back home. The doctor told me, 'Avram, everything is ready. You need to get the transplant as soon as possible.' I came back to Israel and returned to Cairo 3 days later. The doctor said, 'No problem, tomorrow morning I'll find you room in the hospital.' I came the next day, and he told me there were problems; he kept stringing me along that way for another day, for 2 more days.

The story continues for 3 weeks. Before Sukot I asked to go home for the holiday. The doctor warned me that I would lose my place in line. I went back to Israel again to take out a visa and return quickly to Cairo. When I got back the doctor surprised me by saying: 'It will cost you \$42,000.' I explained that I am a simple workman, I work in a warehouse in 'Osem, and the money I have I got from donations. Meanwhile the clock keeps ticking, nothing is happening and I am blowing the money on checkups. Every time Dr Radu'an asks for more money. Once he told me that the kidney donor needed \$50. I

gave it to him. Another time he said he rented an apartment in Cairo for the donor from Alexandria. I agreed, but in the end it was too much for me."

In Cairo 'Ida consulted with two decent Egyptians: the manager of the hotel where he was staying and the cab driver. They arranged for the driver to approach Dr Radu'an and ask him if they accept Jews for transplants. The doctor replied that they don't operate on Jews. Avraham 'Ida broke into the doctor's office and demanded the return of the money he had paid up to that time—\$5,000—and his medical file, so that he could have a transplant somewhere else. The doctor went over to the cabinet and took out a file. 'Ida went down to the taxi with the file in hand only to find to his surprise that it contained nothing but ordinary papers.

"I was filled with fear and shame because I took money from people and told them I was going to have an operation. I began to tremble. I went back up to the doctor and threatened that I would take the story to the newspapers in Cairo and file a complaint with the police and the Israeli embassy. He tried to calm me down. Still, he is a doctor and I am a simple person, a stranger in Egypt. I calmed down. The doctor asked me to give the file back. I demanded my money. I saw that the doctor was tense. He was probably afraid they would revoke his license. He said he had no money and set up an appointment to meet me the next day outside of Cairo. When I got back to the hotel, the manager was frightened and said he wouldn't let me go there alone, 150 km from Cairo. He sent two husky waiters with me. My brother-in-law also came along.

"The meeting was like in the movies. I told the doctor, 'I put down \$5,000, give it back to me.' He said, 'You'll get \$2,500. That's all there is.' I agreed. I still haven't given up and am trying my luck in other clinics. They all told me that the doctors decided not to give an Egyptian kidney to a Jew. They told me about a Jew who had brought a certificate of conversion to Islam from the PLO. They advised me to do the same, and they would provide me with a Palestinian seal. I refused and returned to Israel."

Avraham 'Ida returned to Israel without a kidney, but with jaundice, and was hospitalized in Hasharon Hospital in Petah Tiqwa. He still believes that if he can put together \$40,000 he will succeed in buying a kidney in Egypt.

On the date that Dr Radu'an set for Avraham 'Ida's operation, Avner 'Aqravi, 41, from Moshav Giv'at Hen near Ra'anana, arrived in Cairo. Avner, married and the father of two children, fell sick in 1977. Since then he has managed to build a beautiful house for his family and to set up a model agricultural farm. He even built a swimming pool in the yard so that he could continue to swim every day.

This is an exceptional story of a single breadwinner who, unlike the other patients, is not asking for public support and is actually struggling to increase his farm production quotas. His mother gave him one of her kidneys in 1979. After 3 years it was clear that the kidney had not taken, and it was decided to try another transplant, from a dead donor. That time the kidney held for 2 years.

"In 1984 they took out the kidney and I started looking for another one in Europe. I am a person who knows what it means to be a transplant recipient and what dialysis means. With dialysis you are not a human being. I decided to look for a kidney."

Avner traveled to Belgium. The Belgian experience ended in disillusionment. Avner 'Aqravi: "They led me to believe that they would call me within 3 months. They didn't call and never intended to call. I gave up on the Belgian idea and in the meantime heard about Egypt."

On 23 October 1988 'Aqravi left for Cairo accompanied by a friend, a merchant from Tira. "I went to Dr Radu'an's clinic. The doctor asked for \$1,000 'for processing.' I knew at the outset that I wasn't going to go through what Avraham 'Ida went through. I decided that if 'Ida would get a transplant, it was worthwhile for me to try, too. When 'Ida's operation was postponed, I began to have second thoughts. The doctor advised me to stay for checkups and to deposit \$1,000 with him. My friend, the Arab from Tira, persuaded me to give him a \$400 advance. I left the \$400 and returned home. Since then I haven't even phoned that doctor and have not gone back to Egypt."

Avner, Avraham, Nisim and others did not know Mahmud abu Wasl. Israel Zargari knew him, and that, apparently, is why only Zargari was successful in coming back from Egypt with a new kidney. Mahmud, from the village of 'Ara, traveled to Cairo with the patient's brother. When Zargari became desperate and left Cairo, Mahmud was already an expert in this 'Via Dolorosa' and had woven a convoluted web of contacts. He toadied to the medical team with every kind of perk. After his brother was operated on, he made a party for the team and published letters of gratitude in Egyptian newspapers.

When Israel Zargari fell ill in 1985, he was given to understand that his prospects for obtaining a kidney transplant in Israel were slim. "I read in the paper about an Arab woman from Tira who was operated upon in Egypt," he relates. "I called her and she said she had her transplant in the 'Al Salam' hospital. In October 1987 I went there. In the hospital with me were Saudis, Jordanians and Kuwaitis. Everyone who came in for a transplant left with a kidney. My problem was nationality. I was angry, but I understood them. Every day on television they see what happens here in the territories, and

suddenly an Israeli, whose name is Israel, comes and asks for a kidney. I didn't hide my name nor that I was a Jew. The doctors said, 'No problem, it doesn't matter who you are; you are sick'."

After several checkups the searches began for a compatible donor. In December 1987 Zargari was called back to Egypt. "They directed me to 15 potential donors. One lived in some village at the end of the world, another was on a fishing boat in Port Said. A lot of money was blown there. I sat in the hotel. I saw nothing was happening, so I went back to Israel."

Meanwhile, in Israel, Mahmud's brother died 2 and 1/2 months after the transplant. Zargari: "I went to visit Mahmud in Kfar 'Ara and he said, 'It won't help you at all; you need my help in Egypt.' That was in the summer of 1988. I decided to take him up on it. I paid for his flight to Egypt and his living expenses. He quickly found the name of a donor from Alexandria, one Ibrahim Mahmud."

Mahmud abu Wasl: "Zargari begged for help. In Egypt he was registered as Israel Zargari. I told him that name stood out in Cairo just as Muhammad sticks out in Tel Aviv. I advised him to change his name just for the operation and to grow a mustache."

[MA'ARIV] Why did you help him?

[Mahmud] "I saw a human being fighting for life. It is our duty to help. I would help other Jews, too. I met with several Jews in an airplane and in Cairo. They thought I wanted to trick them. There were Jews who came to Professor Ma'umina Qamal in Cairo, and she gave them my phone number. I told them to place a check for me in escrow. If I accomplish the transplant, I get the money; and, if not, I don't get anything. I helped about 80 percent of the Arabs who had transplants there. I get 25 percent off on the checkups."

[MA'ARIV] Doesn't that make you a kidney broker?

[Mahmud] "In the Al Salam hospital they didn't want to do dialysis for a Jew. I told them I have six patients from Israel, five Arabs and a Jew. I told the doctor that I was handing all of them over to him and that he shouldn't skimp on the dialyses. A lot of people thought I was a broker. There were even rumors that I was a drug dealer. When I saw that Zargari's case was stalled, I told his brothers that I wasn't trying to get rich off them but that I also had a family to support and I had left my workplace idle. I need \$1,000 a month for my family."

"After I solved the dialysis problem, I picked up the phone to call Professor Qamal, who has a blood work laboratory. I asked whether I should bring Zargari to Egypt, and she said to bring him. We registered Israel under the name Ti'isir and started looking for a donor. She gave me two names. The nephrologist, Professor Mahir Fu'ad, started talking about the fact that he is a

Jew, but the problem was with the man doing the transplant, Professor Hazim Turkey. I set up a meeting with him in his office and told him that as a religious Muslim, it didn't bother me to help a Jew. I cited the example from the history of Salah ad Din, who treated a wounded enemy. The professor was convinced and said that he would operate on Zargari."

Meanwhile an initial donor was found, and they got the name of a fisherman from Port Said. Zargari: "We went to Port Said to look for him. You can't imagine how I chased all over the place. Everything cost money and gifts, and a lot of bribes. The bribes were killing me. The fisherman, named Raf'at, was a good kid. I invested a lot of money in him, fearing that he would run away at the last minute; so I pampered him. What do I mean by 'pampered?' A fancy hotel in Cairo and good food."

A date was set for the operation—at first, in August; but then they told Zargari they had decided not to operate on Israelis after an Israeli doctor, at a congress in Spain, accused the Egyptian doctors of dealing in organs. In "Al Salam" they stopped operating on Israelis, both Jews and Arabs.

Zargari: "I went back to Dr Qamal's infirmary and told her of the ban on operating on Israelis. She directed me to Dr Mahmud Radu'an. I went to him under the name Ti'isir, as Mahmud had advised. In November they hospitalized me for an operation in Fawruz Hospital. At the last moment they told me the donor had a urinary tract infection. That evening I found out the real reason. The doctor asked, 'Why did you lie? Why didn't you tell me you were a Jew from Israel? What's going on here?' I told him, 'Do the operation, you'll get whatever you want'."

Two weeks later Zargari was hospitalized again, and at the last moment they told him the donor was incompatible. He didn't believe it. His family in Israel was worried. One of them got in touch with MA'ARIV and said: "We are afraid. We don't know what they'll do to him there. They know he's a Jew."

"I had just about given up hope," Zargari said. "The hospital director told me: 'Listen, we've found a compatible female donor, and we can get her ready in ten days.' I was psychologically broken. Mahmud sent me home and stayed to set things up. He brought the girl in for checkups and hopped over twice to Egypt for checkups and went back home."

The donor's husband needed a kidney transplant. Since a tissue analysis showed that she could not be her husband's donor, she decided to sell one of her kidneys and use the money to buy another for her husband.

The matter of Israel Zargari went all the way to the Egyptian Minister of Health, who authorized the operation. But the heads of the transplant center were afraid to operate since Saudi Arabia's King Fahd had contributed

\$10 million to the center. Professor Hazim Turkey finally agreed to the operation on condition that it be done secretly. At the same time written authorization was received from Dr 'Arafat. Israel and Mahmud said that a letter to that effect had arrived at the transplant center.

[MA'ARIV] Did you or Israel bring a letter of recommendation from 'Arafat's brother?

[Mahmud] "That was a complicated story that depended on five factors: the laboratory, the nephrologist, the doctor who would do the transplant, the hospital and the donor. Zargari could have stayed there 10 years without getting a kidney. Now there are patients in Egypt from Jisr al-Zarqa' and Nazareth. It is hard for the Arabs, too. After Israel returned home, I found a kidney for his donor's husband from a rich car dealer who had gone bankrupt."

Israel Zargari: "Before the operation I met the donor and her husband. We sat and talked. She prayed that the kidney would take and the operation would be a success. I prayed that they would find a donor for her husband and that he would be healthy. For her I was Ti'isir Zargari, a Palestinian. I was hospitalized on Saturday 7 January and was operated upon the next day. The day before the operation Dr Rashad came to visit, and I was astounded when he broke into laughter and embraced me: 'What should I call you? Israel or Ti'isir?' he asked. I said 'The name Israel has only caused me problems, so I am going to stay Ti'isir, even when I get back to Israel because it is a lucky name.' Five months before he had told me to go back home because there was no chance of having a transplant in Egypt. Now he said, 'Don't worry, everything will be O.K.'"

Dr Isma'il Shuqry, the son of Egyptian parliament member Ibrahim Shuqry, performed the operation. After a year and half of struggle, Israel Zargari returned to Israel with a new kidney. "The whole business cost me a lot of money—about \$50,000," he said, "but now I feel like a king. Now I am healthy."

Village Teachers Support Arab Service in IDF

44230143b Tel Aviv HA'ARETZ in Hebrew
23 Jun 89 p 4

[Article by Nili Mendler]

[Text] "I don't mind fighting for the state, if I receive full rights. I am ready to fight for my land and my existence against anyone who attacks this state. I also want to educate my pupils in this spirit." These words were spoken yesterday by a devout Moslem woman teacher from Kfar Kassem, who supports the drafting of Arabs into the IDF [Israel Defense Forces], during a debate on the issue: "The Draft vs. National Service for Arab Israelis."

The controversy developed during a meeting between Jewish and Arab educators in Ramat Hasharon, which was held in the framework of a study conducted in the past 2 weeks by the Ministry of Education to determine the influence of the intifadah [uprising] on the schools in the Arab sector. The study is being conducted by the discussion leaders of the "Eshkolot" project for meetings between members of the two peoples, which is headed by Yehuda Bein of the Unit for Democracy and Coexistence in the Ministry of Education.

The argument over the question of a military draft arose after the educators were asked to express their opinions of two draft resolutions for a "Social Contract Between Jews and Arab Israelis," which had been prepared on the initiative of the Van Leer Institute in Jerusalem. The majority, Jews and Arabs, favored the draft of young Arabs into national service in exchange for the equalization of their rights with those of persons who had served in the army, as an intermediate stage until the basis had been prepared for induction into the IDF. Only a minority, including the teacher from Kfar Kassem and her friends from the same city, supported a gradual military draft as a condition for full equality of rights.

During the meeting, the fear of Arab teachers of political education in the schools came up again. One of the teachers said that the reason for this is that teachers are still being called in for clarifications by administrators for having expressed their opinions. He said further that it was difficult for him and other teachers to function as citizens "when the culture of force takes over more and more." He expressed his fear that he would soon have no influence as an educator, because "only force will have influence."

At another meeting, held yesterday, Arab and Jewish teachers signed a petition supporting the minister of education's call to the government to open the schools in the territories, so that fewer pupils will be drawn into violence.

The staff of the "Eshkolot" discussion leaders also brought principals of Jewish and Arab schools together recently. One of the Arab principals said: "This is one of the most difficult periods in my life. Until 1970, the Israeli identity was dominant in me. Afterwards, family ties revived the Palestinian identity in me. At certain moments, especially during news broadcasts when I see how women and children are being struck, it pains me terribly. Then the Palestinian identity is awakened in me. But in my daily life I forget. I'm an Israeli."

An older principal noted that his feeling during the period of the military administration was worse than now. "Today I live with conflict, but I can't live with it 24 hours a day. I have to function...when my grandchild asked me how does one live with the conflict of Palestinian and Israeli identity, I said to him: 'I decided for

myself, and I hope also for you, that this is my state. I don't know if our relatives in other Arab countries have the same rights and possibilities as we do. They, too, are disadvantaged.'"

Night Vision Technology Firm Expanding
*44230142b Tel Aviv HA'ARETZ Economics Supplement
in Hebrew 28 Jun 89 p 10*

[Article by Yohanan Sharir]

[Text] Orlayil's success was not a sudden one. In the 5 years since the factory was erected, Orlayil has solidified its position in Israel and in the world as a manufacturer of night vision systems, while struggling to maintain competitive prices. Orlayil succeeded in overcoming these difficulties and it became one of the only 10 companies in the world that manufacture tubes for night vision systems, and it is the only company in this field in Israel. These tubes are the heart of the systems, which intensify starlight. Their development and manufacture require very high technology.

Orlayil succeeded in developing this technology by itself, without dependence on any external factor, thereby avoiding the dependence of many Israeli defense manufacturers who purchased foreign know-how and cannot market their products without the permission of those foreign companies.

Development of Unique Products

At the same time, despite the success in the development of the tubes for night vision and the systems that are based upon them, this alone did not suffice for solidifying Orlayil's position in the market. Orlayil continued to develop products with unique characteristics, which also had great export potential, as well as a special department, one of a kind, for rebuilding used tubes. Other companies in the world do not provide this service, even though rebuilding saves about half of the cost of a tube. And since the price of each tube ranges between \$1,500 and \$10,000, the savings to the customer can reach hundreds of thousands and even millions of dollars a year.

In this context, it should be remembered that the night vision market is gigantic—the U.S. Army ordered night vision equipment from four American companies in the amount of 1.5 billion dollars over the next 5 years. Orlayil, all of whose products are manufactured according to American standards, is acting to get into this large market.

Orlayil is expanding its export possibilities also by specializing in the production of custom-made systems. Most of the companies in the world manufacture night-vision tubes and systems in large lots, while Orlayil, due to its flexible structure, can manufacture systems in smaller lots, according to customer specifications, and still maintain profitability.

Breaking into the Civilian Market

These new directions were among those that brought about a turnaround in the company and put it on a profitable track. But the company's optimistic forecasts have a broader foundation. Orlayil began to develop civilian products to round out the company's family of products. The company succeeded in developing, manufacturing, and selling a line of original products which have won wide acceptance.

Among other things, the company began to manufacture night-vision systems for hunters. These systems are lightweight, can be mounted on a hunting rifle, and intensify starlight 70,000 times, in effect changing night into day. Another advantage of this system is that the object observed is entirely unaware of it. Despite the high price of this system, about \$4,000, it has been very successful abroad. Orlayil also began to develop night-vision systems for yachts, as well as for quasi-security uses, for example by police forces, which purchase these systems in order to apprehend drug smugglers.

Another outstanding product of Orlayil, which was developed with the assistance of the Office of the Scientific Advisor is a low-intensity light television system. This system is composed of two major parts—a camera that intensifies starlight and captures events occurring in almost complete darkness and a distant television screen that displays the picture.

Orlayil—A Profile

Orlayil was established in 1984 by Itim Israel Advanced Industries, Inc. (48 percent), IAI, Inc. (26 percent), and MTI Engineering (26 percent). The company immediately began operations in Qatzrin, and moved to its present premises in 1986. The plant, which occupies 1,300 square meters, was erected according to the requirements of the advanced technological processes used in production, and includes "clean rooms," special industrial plumbing, and advanced equipment. There are approximately 40 employees today, most of them local residents. The firm intends to take on more employees next year, due to the expected increase in sales.

The company reached the break-even point in 1988, and is expected to complete the year with a profit and exports of half a million dollars, in comparison to \$200,000 in exports in 1988. Sales will reach a dollar equivalent of \$4 million this year, as against \$3 million last year. The sales forecast for 1990 exceeds \$8 million.

The director general is Mr. Ilan Mozinson.

Professor Examines National Zionist Paranoia 44230143a Tel Aviv HA'ARETZ in Hebrew 23 Jun 89 p 3

[Article by Arnon Ben-Nahum]

[Text] The siege mentality, which exists in the character and belief of the Israelis, is subjective but real. The Palestinians, in their talks with Israel, and also the Israelis themselves, must understand this. It should be understood that this mentality has remained a factor that determines the political opinions of Israelis on various matters, especially the solution of the conflict with the Palestinians.

These statements were made by Prof Daniel Bar-Tal in a discussion on siege mentality at the 12th conference of the Society for Political Psychology, which is being held by Tel Aviv University. He made these statements in response to a question from the former mayor of Um el Fahm, Hashem Mahmid, who wanted to know if the Palestinians also have a similar mentality. Professor Bar-Tal suggested that he investigate this subject within the framework of his doctorate at the university.

Bar-Tal, who presented to the conference a study that he carried out with Diqla Anteby, said that more than half of the Israelis have a siege mentality, the essence of which is the belief that the entire world is against them. This belief, which Zionism bequeathed to the state, reigns in journalism, education, literature, and even in the Israeli Left. It was summed up in a statement by Abba Eban in 1977: "Looking around us, we saw that the world is divided between those who are seeking to destroy us and those who would not lift a finger to prevent this."

According to Bar-Tal, this mentality has five results:

- The development of a negative attitudes towards other peoples;
- The development of a basic suspicion towards the international environment as the primary basis for security and foreign policy;
- A reduction of sensitivity towards others' responses; within this framework, Israelis seek confirmation of information that confirms their belief that the world has bad intentions towards them;
- Pressure for conformism within the society, which at times takes the form of a call for unity; pressure to paper over differences of opinion within the society, and sanctions against those whose opinions do not conform to the societal norm.

Israelis think that the goal of defending their existence is so important that all means are justified to ensure their security, which sometimes leads to modes of action—such as the bombing of the Iraqi nuclear reactor—that the international community finds unacceptable. Ben-Gurion expressed this approach in 1940: "What's important is not what the Gentiles say, but what the Jews do."

The recognition of these five results is vital to understanding the reactions of Israel within the framework of international relations and, especially, its handling of the conflict with the Palestinians and the Arab world.

**Principal's Meeting With Palestinians
Precipitates Conflict**
44230142a Tel Aviv HA'ARETZ in Hebrew
26 Jun 89 p 4

[Article by Nily Mendler]

[Text] Teachers from the experimental Torah-trend Flach girls' high school in Jerusalem signed a petition which states that the principal, Prof. Alice Shalvi "violated the national consensus" by going last month to a meeting in Brussels with Palestinian women from the territories. Two teachers announced their resignations from the school.

Pupils and teachers at Flach are from religious families from all colors of the political spectrum. In response to the petition that was presented to her, Shalvi called the teachers to a meeting and explained the motives behind her trip. She also sent a letter to the members of the nonprofit society that runs the school, to the teachers, and to the pupils and their parents.

In her letter, Shalvi states: "I've been distressed for a long time by the deteriorating moral situation among the population in Israel, which stems from the impasse into which we've been drawn in our relations with the residents of the territories and with the Israeli Arabs. The reports of violence and the use of force against innocent civilians...led me to try to find ways in which I, as a religious-Zionist educator, could help save us from the injury to our moral character."

Shalvi stressed that the Palestinian participants were not identified officially with the PLO, and that all of them were university lecturers or leaders of voluntary women's organizations. The fact that they are nationalists is legitimate, in her mind, "just as all the Israeli women at the meeting were clearly Zionists." She argues in her letter that the meeting increased her awareness of the need to increase the number of meetings with Palestinian personalities in order to create a dialogue, because "only in that way can we ever achieve peace."

Shalvi also wrote that even if the teachers and parents have political opinions that differ from hers, she hopes that they will understand that she acted out of "pure ideological and spiritual motives." According to her, the Flach school aims at educating its pupils towards tolerance. "It would be sad and unfortunate if the principles of pluralism that have guided us were swept away precisely now, when the need for them is so great."

A source close to the school said that the tension following Shalvi's trip to Brussels was preceded by other tensions. Pupils, teachers, and parents protested when

Shalvi expressed satisfaction to her pupils over the PLO's declaration of a Palestinian state, saying that, up to then, an injustice had been done to the Palestinians. The same source also argued that the extreme religious faction does not view kindly her activity as the head of the women's lobby in Israel.

According to this source, a few teachers have demanded of Shalvi that she resign as principal. The letter that she sent did not relieve the tension. Last week, she called the teachers to another meeting and announced unequivocally that whoever cannot adjust to the pluralism that she is instituting should draw their own conclusions. After this, two teachers announced their resignations.

In the absence of Professor Shalvi, who is abroad, her husband Moshe said that his wife's opinions have no impact upon the manner in which she runs the high school. According to him, not one of the teachers asked her to resign, and the committee of the nonprofit society that runs Flach expressed full support for her. He said that most of the pupils identify with her pluralist approach.

Professor Shalvi's son, Mikha Shalvi, who runs the experimental school in Jerusalem, set off a public furor last week by inviting Udy Adiv to lecture to the pupils.

Rabbi Addresses Extremism, Civil War Potential
44230138 Tel Aviv 'AL HAMISHMAR
in Hebrew 15 Jun 89 p 8

[Interview with Rabbi Yo'el Ben-Nun by Uriel Ben-'Amy; date, place not given; first paragraph 'AL HAMISHMAR introduction]

[Text] Rabbi Yo'el Ben-Nun is leaving Gush Emmunim. In a special interview for 'AL HAMISHMAR, Ben-Nun, a resident of 'Ofra and one of the founders of Gush Emmunim, raises serious thoughts and anxieties. "Amos 'Oz," he says, "published an article saying that he would not speak anymore with anyone for whom 'Thou shalt not kill' is not an absolute value. I have no dialogue today with whoever is willing to legitimize the Arab intifadah [uprising] against the Jews. However, as long as Levinger continues to lead and pull by his methods, I do not see the barrier that will prevent a civil war. There are two burning fuses here.

['AL HAMISHMAR] Rabbi Yo'el Ben-Nun, are the moderates finished in Gush Emmunim?

[Ben-Nun] The bridges collapsed in the last few weeks on all sides and with a great noise. "Peace Now" embarked on meetings with the Palestinians in 'Ein Yavrod and Turmus-Aya, without demanding an end to the terror from those who are daily trying to murder us on the roads—me, my family, my pupils, and my friends. "Peace Now" did not set the cessation of the intifadah as a condition for the meetings. This means that the residents of 'Ein Yavrod, which is near 'Ofra, have put out a

contract on me, and "Peace Now" signs it with fanfare this Sabbath. From my viewpoint, this scatters all the cards and breaks any understanding with the Left.

I don't accept selectivity in the commandment "Thou shalt not kill," and for that reason I came out against the underground. If to be moderate now means to sympathize with the intifadah or to understand those who sympathize with it—then the moderates are, indeed, finished.

[AL HAMISHMAR] Are you surprised by the improbability of agreement on the direction of Gush Emmunim?

[Ben-Nun] For years we built a common foundation that agreed with the Zionist Left on the value of human life as such. And this is beyond any argument over the political solution. This foundation was built following the visit of 'Amos 'Oz to 'Ofra in 1982. In my opinion, it was based upon the fact that we are in no way settling in Judaea and Samaria at the price of wiping out the Arabs or liquidating them, either by war or by transfer. In contrast to this, it was clear to us that the Zionist Left calls for a different political-security solution, but not at the expense of the right of any person from Israel to reside, move about, and live in Israel.

[AL HAMISHMAR] And suddenly there is a debate about human life as such....

[Ben-Nun] As I see it, "Peace Now" shattered the moral credit I gave to most of the Zionist Left in Israel. It is unwilling to give up the recognition of the intifadah as legitimate as a struggle for the liberation of Palestinian nationalism and with no conditions or limitations. They regard the intifadah as the only thing that will push Shamir and Rabin, and I believe they have gone beyond the danger point.

After 50 years, "Peace Now" is adopting the ETZEL [National Military Organization] and LEHI [Fighters for the Freedom of Israel] version against the Arab rioters, those who fought then against the ETZEL and the LEHI, and now they are adopting this line when it works against us. I tried to explain this to 'Amos 'Oz before the meetings with the Arabs, but I didn't catch up with him. I had an unpleasant conversation with Janet Avi'ad, and I regard this as a violation of the basic moral code.

[AL HAMISHMAR] You speak of human life, and I am waiting to hear from you about Rabbis Levinger and Ginzburg.

[Ben-Nun] The statements by Rabbi Levinger, that he didn't have the privilege of killing the Arab, and by Rabbi Ginzburg, that Jewish blood and Gentile blood are not of equal value, erase the difference between the Jewish people and others. By these statements, they burn all the bridges in exactly the same manner, and in the most despicable style possible.

[AL HAMISHMAR] And what about the deeds in the village of Kefel-Ha'rs, for example?

[Ben-Nun] I have an uncomfortable feeling about the cause of this outburst, but it is difficult for me to address it because I wasn't there. I don't have the means and it is not my responsibility to sit in judgement. On the other hand, I heard Levinger's and Ginzburg's declarations, and they are much more serious, in my opinion.

[AL HAMISHMAR] And what are you doing?

[Ben-Nun] I am splitting with Gush Emmunim. I am no longer a partner in any body where these rabbis are members, especially Rabbi Levinger, who regards as a privilege the killing of an Arab passer-by, even if the latter has no connection with stone-throwing. Rabbi Levinger inflicted an unprecedented injury upon the Israeli courts.

I no longer regard myself in any way as a part of the body that calls itself "the Secretariat of Gush Emmunim." I remain part of the Jewish settlement in Judaea and Samaria, but not of Gush Emmunim or of the Judaea and Samaria institutions. I will not return as long as Rabbi Levinger is in those!

[AL HAMISHMAR] In effect, you're giving up.

[Ben-Nun] I thought that Ury Ariel, the secretary general of the Judaea, Samaria, and Gaza Council, and Yitzhaq 'Armoni, the secretary general of Gush Emmunim, would stand up bravely against this tide. I had hoped that they would correct it, but instead they are carried along themselves. Therefore, I am getting out of all these bodies, cutting off all ties with them, and I also am not conducting any debate with them.

If they continue on this path, they will undo all their great credit for the building of the land. They are liable to destroy all that was built here. These men no longer represent the settlers of Judaea and Samaria, and I no longer have any common ground with Gush Emmunim. The settlers in Judaea and Samaria will have to decide whom they will follow.

[AL HAMISHMAR] In the meantime, have no replacements presented themselves?

[Ben-Nun] The loss of control over the Arabs means also the loss of control over the Jews. The strength of the present leadership of Gush Emmunim, which is irresponsible and immoral, will evaporate only in the face of full control in the field by the IDF [Israel Defense Forces]. I have no doubt that the public will, in the end, become disgusted by this leadership of Gush Emmunim.

[AL HAMISHMAR] I still want to understand from you how scholars from the Gush Emmunim academy go out for target shooting in Kefel-Ha'rs. Is this not related to the basic education that they received?

[Ben-Nun] The fear for existence is yet liable to crown this leadership over all of Israel. Wild and uncontrolled firing upon animals—this is a very serious outburst. It doesn't surprise me. We're acquainted with this from as far back as the PALMAH [Strike Force of the Hagana] and from the stories of S. Yizhar.

[AL HAMISHMAR] What are you trying to say, that you have absorbed the traditions of the PALMAH and that you are its successor?

[Ben-Nun] No, I don't participate in the tendency to glorify the yeshiva students, to make them demi-kings, and afterwards to come down on them. We're all human beings, and the Torah was not given to the angels. If it is written in the Torah "Thou shalt not kill" and "Thou shalt not steal," there apparently must be persons who are capable of those things.

[AL HAMISHMAR] And how do you view these hikes that end up as disasters?

[Ben-Nun] Going on walks in Eretz Israel is very positive and is courageous. If the hikers are attacked, they must cope with it and defend themselves, but if they try to keep order in Arab villages instead of the IDF—that is no different in my eyes than the Jewish underground. Therefore, restraints and solutions must be imposed in order to prevent the dark impulses from defeating us.

[AL HAMISHMAR] I would like to return to Rabbi Ginzburg, who differentiates between the blood of one and the blood of another. How can it be that such a person continues to be a rabbi in Israel, and who should relieve him of his duties?

[Ben-Nun] Rabbi Ginzburg's words are not only despicable, but also constitute a falsification of the Torah to the lowest level of physical differences. Rabbi Ginzburg is one of the important rabbis of the HABAD [Hasidic sect] movement, and I would like to see him dare to say that in New York. There, as it's known, there is no difference between the blood of one and of another in a court or anywhere else.

Not in the farthest reaches of my imagination could I envisage that the honorable HABAD Hassidism would support such a declaration in New York. In my opinion, unrelenting pressure should be exerted on the Lubavitcher Rebbe until he condemns Ginzburg!

[AL HAMISHMAR] You speak about the Lubavitcher Rebbe and New York. I ask you, how can this man continue to be at the head of the "Yosef Still Lives" yeshiva in Nabulus, and as the rabbi of the new settlement of Tzoref in Gush 'Etzyon? Who should remove him?

[Ben-Nun] I've already told you that when I cut off all contact, I stopped trying to understand them at all. You should pose that question to Ury Ari'el, the secretary

general of the Judaea, Samaria, and Gaza Council, to Benny Katzover, the head of the Samaria Council, and to Sheila Gal, the head of the Gush 'Etzyon Council. I have no doubt that Rabbi Ginzburg has a very serious influence over the pupils.

[AL HAMISHMAR] Yoel Ben-Nun, what really remains of Gush Emmunim?

[Ben-Nun] The secretariat of Gush Emmunim no longer represents anything that exists. What we have are remnants that one man, Rabbi Levinger, rules as he holds on for dear life to what has already been destroyed. I only hope that he doesn't destroy the entire movement and what has come into existence through the strength of Gush Emmunim. And that is liable to happen.

[AL HAMISHMAR] Is the slogan "Eretz Israel belongs to the People of Israel" still valid?

[Ben-Nun] This slogan is nationalist and secular. Land does not belong to persons or to peoples, but to God, who takes and gives land to whomever is worthy. The divine promise did not prevent, does not prevent, and will not prevent the taking of land from the Land of Israel from whomever is not worthy of it. There were generations that lost the Land of Israel, and immoral behavior is liable to destroy the foundation upon which everything has been built.

The Holy One, Blessed Be He, gave the Land of Israel to the people of Israel as part of a most comprehensive lease agreement, which is called "the Torah" and which contains strict limitations. This contract is violated today by a great many persons and a great many places.

[AL HAMISHMAR] When does violation of the contract result in the rescindment of privileges?

[Ben-Nun] I don't sit in the Heavenly Court, but when I hear declarations that weaken the rights, this means that they are destroying the building that they themselves erected.

[AL HAMISHMAR] And where do you begin to see this?

[Ben-Nun] When Rabbi Levinger changes the struggle over settlement to a struggle over security, he creates an entirely different thing from the political and moral viewpoints.

[AL HAMISHMAR] Yo'el Ben-Nun, can you honestly say that everything seemed normal to you when you went with Rabbi Levinger to Sebastia in 1975?

[Ben-Nun] In Sebastia there were also frightening outbursts by Levinger, but I had the clearest impression that they were both intentional and a means of control.

[AL HAMISHMAR] And today?

[Ben-Nun] I'll say something serious: I don't tend to defend Levinger. I think that his outbursts today are also both intentional and a means of control in order to attain certain ends. If Levinger achieves his goals by these means, there will be civil war here. And we are already near that. I don't say "internecine strife," as our sense of solidarity is already very doubtful.

[AL HAMISHMAR] What impact did the joint statement by members of the Kibbutz Artzy and of Gush Emmunim have on you?

[Ben-Nun] I was very happy about it, and I view it as a courageous step by everyone, but the danger has not passed. 'Amos 'Oz published an article where he said that he would no longer speak with anyone for whom "Thou shalt not kill" is not an absolute value. I have no dialogue today with anyone who is ready to justify the Arab intifadah against the Jews. However, as long as Levinger continues to lead and to pull by his methods—I see no barrier that will prevent civil war. There are two burning fuses here.

[AL HAMISHMAR] Do you dare wonder out loud who will be the next Emil Gruenzweig?

[Ben-Nun] I don't want to think about that.

[AL HAMISHMAR] Will he be from your camp, which opposes the Levingers?

[Ben-Nun] I don't want to address that. Believe me, I have sleepless nights. I have nightmares.

JORDAN

High Prices, Shortage of Medicine Reported

44040499 Damascus, AL-BA'TH in Arabic
27 Jun 89 p 7

[Article by the editor and by Ibtisam al-Maghrabi: "Citizens, Pharmacists Complain of Lack of Brand Name Medicine"]

[Text] The problem of medicine has taken on new proportions: after some movement in the direction of making the medicine that could be furnished available, the problem came to a standstill. There was never any movement, however, toward a solution that was feasible. Such a solution is required for a pressing problem that has to do with public health. It is a problem that occupies a large part of citizens' lives.

The Medicine Shortage

Now that the medicine shortage has been with us for over 6 years, we have the right to ask when will it really come to an end? Patients who are assured that medicine sometimes comes before bread have the right to get their

prescriptions filled at the pharmacy closest to their homes. They have the right to have their prescriptions filled without any trouble to speak of.

What happens, however, is that patients do not find the kinds of medicine they need in any of the pharmacies. They are therefore compelled to get the medicine they need from people who smuggle the medicine from neighboring countries at exorbitant prices. The price of one medicine for certain kinds of diseases may be as high as 3,000 pounds. This makes it possible for us to understand the magnitude of a major problem which puts patients under pressure. These are patients who have to take certain kinds of medicines which are not always available.

We will not discuss the reasons for the medicine shortage here. These reasons have become known to everyone. This is a problem that has to do with adopting radical solutions so that we do not continue running around in circles. We are not saying whether or not smuggling is partially responsible for the shortage. In the past we did propose the possibility that alternative medicines which are not well-known commercially could be imported from socialist countries. Those medicines would be difficult to sell in neighboring markets, and it would also be difficult to give them alternate Arabic names, as is done in some countries. If the shortage has to do with distribution, however, a solution to that problem can easily be found. But when pharmacists assert that they are sold out 2 hours after they receive the medicines, this means that either the quantities they receive are small indeed, or the medicines are taken out of the market to be smuggled or sold for higher prices. The one problem that remains, and it is a problem for which we have not been able to find an objective explanation, is this: Physicians are determined to prescribe for their patients medicines which the Institute of Pharmacology has not imported for years.

The acute shortage in medicine, especially medicine which is used in connection with certain kinds of diseases, is the foremost problem in the pharmaceutical industry. Other problems include the modest role played by the public sector in the production of medicines and the production of similar kinds of medicines which are furnished to the market by the private sector. Price manipulation and smuggling are two other problems.

The medicine shortage which surfaced as a small problem early in 1983 became an acute problem by 1985. Today, it is still being talked about. Citizens and pharmacists complain about the medicine shortage, and public institutions argue that the medicine is there but that the role of the pharmaceutical industry has been significantly curtailed.

Poor Distribution and Unfilled Prescriptions

The fact that physicians insist on prescribing medication which the Institute of Pharmacology no longer imports is exacerbating the problem. Therefore, pharmacists wonder why physicians insist on doing that.

Pharmacist Raghda' Jahshan at the Central Pharmacy indicated that pharmacies should not be blamed when physicians prescribe medication which has not been imported for years. She said that prescriptions are rarely filled completely because while some medicines may be available, others may not be.

Psychological medicines are not available; and medication for epilepsy is not available. In general, the medicine which is actually available is not compatible with consumer demand.

Pharmacist Amir Qurah indicated that in addition to the medicine shortage, the distribution of quotas is poor. Rural areas receive half the amount cities receive. While medicines which are associated with certain kinds of diseases are available in very small amounts, other kinds of medicines for which there is no demand are available in large quantities. And yet these medicines are imported in large quantities even though they are not needed and we can do without them. In other words, more medicine than the market needs is imported, and this medicine is imported at the expense of the kinds of medicine for which there is a demand.

At al-Qanawati Pharmacy, the pharmacy's medicine quota is sold in a matter of two hours. Pharmacies have turned from outlets for selling medicine to outlets where cosmetics, shampoo, and children's needs are sold. Medication which is prepared in a pharmacy is no longer widely used, and medication which is manufactured by the private sector is almost the same and offers the same kind of treatment. There are no different kinds of medicine.

Should Patients Wait?

We met As'ad Darwish, a civil servant from Homs Governorate who was trying to find medication which his physician had prescribed to treat poor kidney function. Unable to find the medicine in his own governorate, Mr Darwish had come to Damascus looking for it. Although he asked about the medicine, One Alpha, in all the pharmacies, he was unable to find it. In Lebanon, he was asked to pay 3,175 Syrian pounds for it.

Ghassan Makkawi said, "Is a citizen supposed to waste the hours of the day looking for medication to treat an inflammation or looking for sedatives?" Mr Makkawi too has been trying for a whole month to find the medicine that would strengthen the heart muscle, but he has not found it. Should a cardiac patient have to wait a long time to find the medicine he needs?

Fadil Kabul is a worker who has been trying to find the medicine he needs for his wife's treatment, but he did not find it. In Lebanon that medicine costs 3,000 Syrian pounds. How can he, a worker and the head of a family with many expenses, come up with so much money?

Brief Explanation From Institute of Pharmacology

In response to these matters which were brought up by citizens and pharmacists, Dr Misbah Ghaybah, director of the Institute of Pharmacology for Importing and Distributing Medicine, indicated that the institute has been trying to cancel imports of many pharmaceutical products which have no importance in medical therapy. The institute has also been trying to import medicine from the least expensive sources to reduce as much as possible the need for currency. He spoke about the imbalance in distribution between rural and urban areas, and he made it clear that every pharmacist in a rural area was entitled to receive half the quota received by a pharmacist in an urban area. He said that the institute was receiving assistance from the private sector, which is providing a percentage of the supply of medicines, but that the private sector could not be relied upon to provide more than 40 percent of the medicine which is needed.

Concrete Fact and Unconvincing Response

Between citizens' complaints and the institute's reply the problem of the medicine shortage festers. The problem is not a simple one, and it is not to be treated in this manner. During these long years since the shortage began, a proper solution should have been found so that mistakes could have been avoided. It was those mistakes which led to the shortage. The ideal method should have been found to make the medicines that are required available when they are required. Such a method, however, can only be found by means of a well-considered plan through which the actual need for medicine would become known. Such a plan would allow us to know how much and what kind of medicine we need. Such a plan would take into account the kinds of medicines which are used to treat seasonal diseases, such as summer diseases, cold weather diseases, and children's diseases. Such a plan would allow us to do without those medicines which are not needed in large quantities. It would also allow us to reduce those medicines as much as possible. Furthermore, this long period of time during which the private sector has been involved in the pharmaceutical industry should have given it ample opportunity to manufacture different kinds of medication. The private sector should not be satisfied with manufacturing the simple varieties of medicine which it does manufacture.

What we ask is this: What is the actual role which the public sector is to play in manufacturing medicine? Where is the emphasis on utilizing the expertise which the College of Pharmacy can provide? Where are the specialists in the field of the pharmaceutical industry? The lack of interest in specializing in the pharmaceutical industry is creating a void in the highly specialized areas of study which are offered by the College of Pharmacy. It seems that the College of Pharmacy has turned into another theoretical college from which more administrators and fewer specialists graduate.

By combining the efforts of all these agencies together—the public sector, the private sector, and the Institute of Pharmacology—we might be able to achieve a clear view of what could be done to find a solution to the problem of the medicine shortage, and we might be able to close that big gate which has recently been opened. We are talking about the gate which people walk through to look for medicine in the markets of neighboring countries.

Physicians too play a role in this regard. They must know what kinds of medicines are available in the market, and their prescriptions must be based on that knowledge. The presence of alternative medicines in the market gives patients a greater opportunity to get the medicine they need to treat their disease. Patients should not have to concentrate on one brand and exclude other brands from their consideration. The institute's import plan must also take that aspect into account. There is no need to import medicines for which there is no demand when not a single container of other medicines which are in demand can be found. Although resources are few, we can make better use of these resources if we use those resources in a manner that is concrete, scientific, and based on the actual need for medicine in our country.

Seminar Calls for Ensuring Best Use of Remittances

JN0807085489 Amman JORDAN TIMES
in English 8 Jul 89 p 3

[Excerpt] Amman (PETRA)—Labour Minister Jamal al-Budur Thursday stood in for His Royal Highness Crown Prince Hassan, in opening a one-day symposium on the role of expatriates in developing their country, which was held in preparation for the 5th Jordanian Expatriates Conference, due to be held here Saturday.

In remarks before the symposium, al-Budur said that the Jordanian economy is characterised by openness to both the international and Arab economies and is affected by the various regional and international economic changes.

He stated that due to the global economic recession, Jordanian economic growth has slowed, prompting the government to embark on a number of measures designed to revitalise all sectors and to encourage industrialisation and high-yielding projects.

The minister added that the phase that the country is passing through makes it incumbent on all Jordanians, be they residents in Jordan or expatriates, to rely on their fellow citizens and to utilise all available resources.

Also addressing participants was Deputy Prime Minister of State for Economic Affairs of Tahir al-Masri, who praised Jordanian expatriates for their role in reviving the Jordanian economy during the period from 1974 to 1984. He called on them to invest their money in the country.

However, al-Masri noted, "the government should provide investment guarantees through banks and financial companies, and should encourage these entities by providing incentives to draw up investment programmes capable of attracting expatriates' savings."

Al-Masri also called for the speeding up of work to implement the privatisation process in order to broaden investment opportunities available for expatriates.

He also stressed the need for the development of Social Security Corporation (SSC) programmes which expatriates can benefit from and which can be promoted by SSC officials in countries where Jordanian expatriates work.

Al-Masri called for embarking on intensive political activities with the oil-rich countries with the objective of finding job opportunities for Jordanians there.

Al-Masri stressed the government's interest in enhancing dialogue and an exchange of views with Jordanians working abroad. He pointed out that the government is keen on seeking the expatriates opinions and advice on the possibility of enacting legislation giving expatriates some privileges and incentives to return. "Such legislation would permit expatriates to remit part of their income through banking institutions or invest savings in productive projects" al-Masri said.

He described the corrective method followed by the government to administer its financial resources and the Kingdom's hard currency resources, as a means of restoring stability to the local currency and eliminating problems in the economy and shaken confidence in it.

At the end of the symposium, participants made the following recommendations:

1) Draw up a strategy, ensuring the best use of remittances and define the best means for utilising such remittances in setting up investment projects.

2) Make use of qualified Jordanian expatriates in developing the technological and competitive power of the national economy.

3) Call on the government to take the necessary measures to ensure a further degree of economic and stability [as published], with a view to increasing savings and directing them towards productive investment projects.

4) Provide more facilities to expatriates to encourage them to increase their investments in the various economic sectors.

5) Call on the banks and financial institutions to draw up investment programmes capable of attracting the expatriates' savings, and entrust the Amman Financial Market with providing all information on the investment opportunities available to expatriates on a regular basis.

6) Stress the recommendations adopted at previous conferences on facilitating procedures and putting an end to the bureaucracy and correcting the malpractices in administering economic projects.

7) Call on the Central Bank of Jordan to work towards stabilising the exchange rate of the local currency against foreign currencies so as to boost the volume of savings and investment in the local market.

8) Impose a new tax entitled "Honor Tax" on every Jordanian expatriate, under which any Jordanian working abroad will pay \$100 annually in an effort to help the country overcome the present difficult economic circumstances.

9) Call the Central Bank to issue loan debentures, whereby every Jordanian working abroad should buy such debentures at a nominal value of \$500 per debenture to be settled in accordance with a special regulation to be drawn up for this purpose.

10) Amend the conscription, whereby Jordanians who are bound by the law to undergo military service, and exchange part of the service period for foreign currency, in accordance with a special regulation to be drawn up for this purpose.

11) Form a special committee of representatives from both the private sector and the expatriates, to follow up on the expatriates' decisions and recommendations. [passage omitted]

KUWAIT

Gulf Investment Corporation Share in Project Equity Soars

44000495 Kuwait ARAB TIMES in English
20 Jun 89 p 9

[Article by M.C. Bose, Business Editor, ARAB TIMES]

[Text] The chief executive officer of Kuwait-based Gulf Investment Corporation [GIC] has said GIC share in the equity of Gulf projects increased from about \$10 million by the end of 1987 to \$44 million in 1988. Further rapid growth in business is anticipated in future, and GIC in participation with the secretariat of GCC [Gulf Corporation Council] commissioned an international consultant to identify some 20 new potentially viable projects within the GCC countries. Dr Khalid al-Fayiz said GIC increased its in-house managed funds and established a longer term investment portfolio in 1988. The resultant

enlargement of in-house capability enabled the corporation to handle more transactions in diversified financial instruments and in several markets.

He said the corporation is now well positioned to improve on its record, and its policies will continue to emphasize a prudent trading and investment posture.

GIC expanded counter party relations over a greater geographic area, and enlarged the volume of placements and deposits transacted by 28 percent and 16 percent over 1987.

The corporation also increased its foreign exchange activities.

"After having studied some 120 investment opportunities, and having been committed to 11 viable projects, GIC is still studying about 35 projects that are potentially viable," al-Fayiz said. These constitute the core of GIC future investment in this field, and it is very likely that GIC will be participating in a larger number of projects over the coming few years.

He said GIC has committed to the following 11 projects: Al Salam Aircraft Company: This project aims at supplementing the high technology maintenance services sector within GCC region, and it will be the first fully integrated facility in the Middle East capable of carrying out major overhaul modifications and customization on all types of aircraft. Cost of the project is estimated at \$127 millions.

The Middle East Propulsion Company Ltd: This project aims to provide comprehensive and high technology facilities for overhauling and servicing different types of aircraft engines. The estimated cost of this project is approximately \$110 million.

Advanced Electronic Center: The scope of this project is to manufacture and repair electronic communications equipment, and provide tests and other services for electronic equipment especially those related to aviation industry. Cost of the project is totalled \$178 million.

Two dairy projects in Qatar and UAE [United Arab Emirates]: The first, Arab Qatari Company for Dairy Products aims to produce 5040 tonnes of fresh milk and 186 tonnes of meat, its cost is \$16 million.

The second, al-Rawabi Company involves the construction of a dairy farm to produce 307 tonnes of fresh milk annually to supply the growing local demand in UAE. Its estimated cost is \$12.5 million.

National Aluminum Products Company (NAPCO): This project contributes toward vertical integration of aluminum industry in the region which begins with smelting

and ends with finished products. It aims at producing 5500 tonnes of aluminum profiles mainly used in the construction industry. Total cost of the project is \$18 million.

Gulf Aluminum Rolling Mill Company (GARMCO): This project aims at producing 60000 tonnes annually of rolled aluminum products suitable to compete in international markets. Total cost of the project is about \$120 million.

Saudi Military Uniforms Supplies Company: This project will manufacture and supply all the military organizations in Saudi Arabia with all their requirements of military uniforms and the various related items and accessories. The estimated cost of this project is about \$37 million.

Kuwait Pharmaceutical Industries Company (KPICO): KPICO's prime objective is to produce and market pharmaceutical products in Kuwait and the export market.

KPICO also acts as the representative of several foreign pharmaceutical and medical appliances manufacturers. The authorized capital of KPICO is KD10 million.

National Titanium Dioxide Company Ltd (Crystal): This plant will produce 45000 tonnes annually of titanium dioxide, a pigment used in the production of paint, plastics, paper and textile. The estimated cost of the project is \$127 million.

Pesticides Industries: The project aims to produce 4440 tonnes annually of different types of pesticides to be used in agriculture and general health purposes.

This project will be the first of its type in the region, and its cost is approximately \$25 million.

Al-Fayiz said in addition to above projects to which GIC is already committed, it is currently pursuing some 35 projects, four of them are in a more advanced stage of study, namely: Coke calcining: The objective of this project is to calcine green coke. The calcined coke, used principally in the smelting of aluminum and in the production of titanium dioxide, will be marketed within the Gulf region where there is a substantial demand as well as on a world-wide basis.

Propylene/Polypropylene Project: Polypropylene, used in the manufacture of fibers and plastics, will be produced from propylene, used as a feedstock in the production of many downstream petrochemicals, will be produced from propane.

The products will be marketed internationally as well as within the GCC countries where there is a growing demand.

GIC, in cooperation with a group of major local air-conditioner manufacturers, is leading the efforts to set up a local plant to manufacture compressors for air-conditioners and possibly other appliances.

The major market for this project is the Gulf which is expected to experience above average growth in the coming years.

He said GIC, with a group of private sector investors, have undertaken a study of the GCC market for light bulbs. The study has shown that there is a considerable demand for various lighting products and at the same time it showed that the market exhibits strong price competition among international manufacturers.

GIC is also currently coordinating with major international manufacturers to study the feasibility of the project before being implemented.

Talking about the interest to promote capital markets in the Gulf, the GIC chief said, GIC views with interest the advent of securities and capital markets in Oman and Bahrain, after those of Kuwait and Dubai, as those markets will enhance the financial independence of the region and create further investment opportunities for the available public and private financial resources.

GIC emphasizes strengthening its relations with other GCC financial institutions in order to increase its activity in local currency funding.

GIC's lending policy focusses on providing GCC related business with medium-term and long-term commercial credit in the various development fields, especially for manufacturing and agricultural projects.

The present total lending commitment of GIC exceeds \$120 million.

In order to achieve its objective, GIC has been given the flexibility to invest within the GCC countries as well as internationally, and is allowed to engage itself in a wide range of activities such as setting up of investment in potentially profitable projects in the industrial, agricultural, commercial, mining, and services sectors, particularly those serving the aims of the shareholding countries in developing their economies and achieving economic integration amongst them.

Acquisition of, investment in or participation with companies and organizations which can assist GIC in attaining objectives.

Management, underwriting and investment in a wide range of marketable securities, such as fixed and floating rate notes, certificates of deposit, equity and equity related instruments, and other forms of negotiable paper.

"Management of customer's investment portfolios and acting as agent or trustee. Investment in various currencies, precious metals, and commodities and Real estate investment of all kinds," al-Fayiz said.

GIC revenues and earnings in 1988 as well as in previous years came from its world-wide investment and trading in equities and fixed income instruments. Naturally GIC operates in all major international capital markets in USA, Europe and the Far East.

He said execution of studies and surveys relating to capital investments, evaluation of investment projects in line with the corporation's objectives, and the provision of consultant and investment services of third parties. GIC's business strategy within GCC countries focuses on supporting commercially viable direct investment opportunities, and developing the regional securities market by arranging and placing of new debt and equity issues.

MOROCCO

Finance Ministry Adopts More Liberal Banking Exchange Measures

45190099 Casablanca MAROC SOIR in French
26 Jun 89 p 1

[Article by Ahmed Alaoui: "Morocco, International Money Market"]

[Text] The Finance Ministry has just taken the important step of liberalization of the banks for the management of international capital.

Henceforth, Moroccan banks may freely receive foreign deposits, compensate them [as published], and invest them freely throughout the world.

The measure is a part of our policy of openness and of the internationalization of our banking system in order to prepare banks, especially, to confront the challenges of 1993 (that is, the institution of the European Common Market).

In recent years numerous important measures were approved in the area of exchange regulation with the aim, on the one hand essentially of removing the administrative and statutory obstacles and constraints that were discouraging the entry and investment of foreign capital in our country; and, on the other hand, of providing operators in the national economy the means and the margin of maneuver needed to confront competition at the international level, and conquer foreign markets. This plan of action was strengthened by the new measures just approved by the Finance Ministry for a sector that plays an influential role in developing the national economic fabric, namely, the banking and finance sector.

The new measures contained in the Office des Changes [Foreign Exchange Office] circular no. 1526, dated 21 June 1989, mark an important step in liberalizing the control of foreign exchange and open new prospects for our banking system. Henceforth, the latter is able to not only receive deposits in currency from foreign clients whether or not resident [in Morocco] and invest them in the international capital market, but also can compensate them, which will allow our banking system to perfect its knowledge, master international capital market operations, and attract to our country the capital that we badly need.

It should be pointed out that the latest decisions reached by the Ministry of Finance are part of a global policy aimed in making Casablanca an international money market. This policy requires the existence of a healthy, strong financial sector accessible from abroad. The following actions should be considered as falling within that context: the monetary authorities' decision to raise the minimum bank capital to 100 MDH [Moroccan dirham] from now until the end of 1990; the large capital increases recently made by the B.C.M. [Central Bank of Morocco], the C.I.H. [Real Estate and Hotel Bank], and the B.M.C.E [Moroccan Foreign Trade Bank]; also, the policy of openness followed by our financial system through the investment of capital in foreign institutions, or the opening of representations abroad, as is the case particularly, for the B.C.P. [People's Central Bank], the B.M.C.E., and the B.C.M. providing further and more noteworthy representation in Africa, in North America, and above all, in Europe.

These different measures and actions, as well as the reform of the financial system that will begin in the coming months, show the financial authorities' intention to provide Morocco with an international money market equal to the potentialities and aspirations of our country and the role it is called on to play, both on the regional and international level, in particular given the perspective of the Europe of 1993.

One must say that we can certainly attain that objective. Actually, Morocco has undeniable political, geographic, sociological, and economic assets that predispose it to occupy an important place on the chessboard of international money markets. It should possess credibility with foreign investors who want to have as Moroccan partners, an especially dynamic and competitive private sector, and an efficient and responsible government that fully plays the positive and constructive role that it should, in the process of economic and social development of our country. All that [should take place] in conformity with the Royal Directives contained in the letter which His Majesty sent the Prime Minister and that have, in particular, the aim of developing Morocco into an international money market.

**Chamber of Deputies Member Criticizes
Government Development Plan**

45190107 Rabat L'OPINION in French
10 Jun 89 pp 1, 5

[Article entitled "Abderrazak Afilal: 'The Government's Decisions Are Improvised and Do Not Solve Citizens' Problems'"]

[Text] Last Tuesday's full session devoted to oral questions on the plan was characterized by two events: a long presentation verging on irrelevancy made by the deputy minister in charge of the plan as the answer to the five questions put to him, and a series of points of order condemning the government's behavior. The latter [as translated] came to the session to make a statement rather than to provide convincing and concrete answers to the deputies' interrogations.

The parliamentary group Istiqlal participated in the session by raising the question, voiced by Deputy Boutaib El Aydi, of the electrification of 287 rural centers promised by the development plan. Mr El Aydi's question stressed that rural areas are deprived of the most rudimentary and vital infrastructures and of electrical equipment, and wondered what had become of the investment projects planned to address this.

In his general answer to all questions put to him, the minister of the plan indicated that, after completing phase one of the national rural electrification program affecting 286 villages in 21 provinces, studies on the second phase (600 rural centers) were completed last year and nine villages in six provinces were provided with electricity. This brought expenses for this year to 19.6 million dirhams.

A discussion followed the government's presentation, during which Mr Abderrazak Afilal spoke on behalf of the Istiqlal Parliamentary group for Unity and Equality. He began by emphasizing that real planning provides a vision for a country's development, on all levels and for a well-defined period, and takes into account the country's and people's needs as well as the state's commitments to accomplish previously set goals.

Mr Afilal also went on to say that this vision is nonexistent in the government, whose decisions are still no more than improvisation as long as they do not solve the problems of citizens. The government, he said, has confined itself to mouthing slogans that it has not put into practice. We do not want a policy based on exaggerating figures, but we want to feel the human element is receiving protection and attention.

While the government's plan states it is counting on the private sector to invest at a rate of nearly 52 percent, Mr Afilal added, the private sector is suffering from a crisis preventing it from playing its development role. The private sector is not operating at full capacity and official

statistics confirm its productive capacity is no more than 67 percent of its real capacity. This means there is a clear tendency to inflate investment and employment.

We were surprized, Mr Afilal added, when the minister announced the employment of 160,000 people, when we know that over 1,009 companies employed only 6,000 workers in 1987. Perhaps the minister's figure is based on those employed in connection with national promotion.

We would like, Mr Afilal continued, clear and frank answers. What has the government done to curb the unemployment of over 45,000 university graduates? For how many of them has it provided employment? How much of what it announced on this subject in the plan has been accomplished? Banks refuse to provide aid and assistance to those who want to create small and medium-sized companies, though the government said it had decided to encourage these young economic promoters.

The employment problem is a very dangerous one and we believe the question of the state's role as employer is still acute, given the incapacity of the private sector and the lack of means for orienting it and forcing it to hire executives, technicians, and manpower in accordance with the executives' statute. We will take another example, Mr Afilal added, from the post office and telephones sector. We do not see any development repercussions from the 30,000 new telephone lines announced by the minister, while imperfect mail and telephone services, especially telephone, are compromising development.

In the area of education, the Istiqlal deputy wondered how the government can justify its retreat from universal education.

The number of children in primary school has dropped from 2,202,000 in 1986 to 2,149,000 in 1987 and 2,102,000 in 1988. (In 1987, 113,550 school-age children were deprived of access to schooling.)

Can it be said after that that the government does what it announces to the world at large? The Ministry of Education cannot build schools in villages because of the constant pressure of operating expenses (30 percent in 1988-89) on the equipment budget.

The plan minister's statement, Mr Afilal stressed, is important and gives us the opportunity of making many comments and stating our positions. But more time is needed to study and debate it.

We are convinced the government has not accomplished a minimum of what is contained in the development plan.

Our problem, Mr Abderrazak Afilal continued, is in announcing that all is well while problems stack up and effective and constructive dialogue between the government and Parliament is practically nonexistent, hobbling the House of Representatives in its control of the executive branch.

RNI President Addresses National Council
45190086 Casablanca LE MATIN DU SAHARA
in French 30 May 89 pp 7-9

[28 May speech by RNI [National Rally of Independents] president Ahmed Osman to National Council]

[Excerpts] As we reported in yesterday's edition, the National Rally of Independents [RNI] National Council met Sunday in Rabat. The meeting was presided over by President Ahmed Osman and attended by members of the Executive Bureau.

The session was devoted to party efforts in various sectors and a discussion of different aspects of national and international socioeconomic life.

Osman presented a report that included an outline of the party's history and the conditions leading to its formation. He also analyzed the party's methodology, which is based on dialogue and the participation of all intellectual potential in party work, implying "realism, pluralism, and citizen participation in the collective responsibility for defending the nation's sacred values, the constitutional monarchy, and the sacred values of Islam."

He then reviewed the RNI's positions on current national and international issues.

On behalf of the membership, Osman praised the constant efforts made by the King to ensure Arab unity, emphasizing the mobilization of the party and its followers behind the sovereign.

The following is the complete text of Osman's remarks:

My fellow member brothers and sisters:

During a decisive phase of our country's history and at a time when there is an urgent need for sincerity, sacrifice, and national cohesion, the National Rally appeared on the political scene. That was 11 years ago, October 1978. [passage omitted]

By virtue of this determination, we aspire to recovery, renewal, the expression of the will of the citizens, and the strengthening of democratic institutions, while preserving the national identity and ensuring its fulfillment in the shadow of freedom, justice, and openness to the outside world.

Our party has expressed the organic relationship existing between economic development and sociocultural development, while employing direct practices and working

toward territorial unity and solidarity with other parties. At the same time, we remain faithful to the spirit of agreements and conventions and believe in dialogue as the best means of persuasion and an effective weapon to defend the rights of the nation and homeland under the banner of the democratic and social constitutional monarchy.

This is the political methodology defended by our party based on social democracy as the style, orientation, and choice aimed at strengthening national solidarity and leading to a partnership of all intellectual, creative, and financial capacities in progressive action.

Social Democracy as the Means To Recognize Personal Rights

Social democracy is, in our opinion, the best means of recognizing the individual's personal rights and making him aware of his social duties.

Development is not solely material, but is also a means of satisfying creativity and responding to social and spiritual stimuli. It is a spontaneous understanding that can prevent one class from enjoying privilege at the expense of another. In addition, it means cooperation, mutual aid, and a fight against anarchy, violence, and all means of repression, be they material or moral.

The social democracy recommended by our party and on which its social, economic, and political philosophy is based generally constitutes the surest means of guaranteeing a powerful economy. In its shadow, one finds all national organizations endeavoring to participate in the general prosperity through the regional sections, by granting to nongovernmental institutions such as professional chambers, cooperatives, mutual aid societies, and so on, their well-deserved importance.

The National Rally is an avant-garde party distinguished by its realism, one that has in its ranks experienced members who helped deliver the country from the nightmare of the protectorate. It has other members belonging to the intellectual youth who grew up under independence and on whom we are relying to take their places and assume their historic responsibility and the mission of protecting our achievements and sacred values. [passage omitted]

Party Role

Our satisfaction is all the greater because the Kingdom of Morocco has not departed from its attachment to the collective capacities reinforced by the contributions of the free citizen and his personal stamp on active life, development, and growth. [passage omitted]

It is through discussion and mutual interaction that minds are refined, visions are clarified, truths emerge to elevate man and shape the glories of nations, and positive aspects of organizations and political pluralism

stand out. Article 3 of the constitution emphasizes the importance of the parties and their responsibility in organizing and representing citizens. [passage omitted]

In our opinion, the constitution needs no revision because it is a valid, complete tool. It must be considered solely from the standpoint of sound practice. [passage omitted]

We maintain that there are faults only in certain practices and procedures not in keeping with the spirit of the constitution.

We also reaffirm that the role of the parties consists in working toward openness to social change and totally meeting their responsibilities in terms of programs, planning, and action based on a precise schedule. In the final analysis, it also consists of being accountable.

Our democracy protects the right to place trust in the government and challenge it, just as the constitution guarantees supervision of the executive machinery in a broad fashion, requiring it to treat the Chamber in accordance with democratic rules so that customs will become an additional instrument of the provisions of the constitution.

Thus it is that we bring all the people into the administration, orientation, and implementation of ideas expressed by the King near the end of 1981 at the time of the meeting granted to the RNI parliamentary group. That meeting concerned parties alternating in power and the opposition based on popular support and the strength of the connection between their guidelines, achievements, and programs, on the one hand, and the popular base exercising the right of membership, oversight, and conviction.

Rejection of Megalomaniacal Pretensions [passage omitted]

We reject megalomaniacal pretensions and sectarianism in party action and orientations.

In contrast, we believe in cohabitation and complementary action and venerate the right to be different, but in a country in which the right and commitment to serve the supreme interest of the nation prevails.

Resolutely attached to the teachings of Islam, our party remains convinced of our ability to spare us disappointment and protect us against any negative manifestation by our recourse to faith, national solidarity, and the rectification of situations whenever necessary.

It is true that the path is not free of obstacles because we live in a time of doubt and contradictory dangers. However, by virtue of experience gained from our history, the solidity of our ranks, and our ability to endure, we can transform any negative aspects into successive victories.

These are our desires and the characteristics of our action that have instilled in our members a sense of responsibility, while bestowing on them a distinguished place on the national and international levels.

In short, we can cite our exchanges with brothers and friends beyond our borders through the many passage-ways that have resulted in the organization of regional and international seminars that have received satisfactory responses and had a definite impact.

Regarding seminars and visits exchanged, we have been able to forge solid bonds with a large number of delegations, parties, and political organizations in the People's Republic of China, the Soviet Union, West and East Europe, and the Socialist and Democratic Interafrican [as published] of which our country is an active member. We have also forged bonds with political factions in the Maghreb and held many Arab, African, Islamic, and international meetings aimed at disseminating the RNI's position on the political and social map, on the one hand, and defending our rights and sacred, objective values, on the other.

UMA and General Interest [passage omitted]

On the national level, our party has assumed its complete responsibility and on all occasions expressed its position frankly and protected Morocco's identity in all its originality and specificity. Our party has mobilized alongside King Hassan II amidst the most difficult political circumstances and courageously faced all maneuvers aimed at disturbing the citizens' peace and tranquillity.

The National Rally has supported the nation's supreme efforts, particularly its opinion on the subject of the French-African summit conference held in our country. It has considered its results as a positive and necessary step aimed at consolidating our policy on the African continent. Some African countries had let themselves be tricked by the designs of enemies of our territorial integrity.

We also gave our blessing to the Marrakech summit conference, which witnessed the emergence of the Union of the Arab Maghreb (UMA) immediately following the Moroccan-Algerian reconciliation.

We appeal to all social, cultural, and economic sectors and to our live forces, businessmen, professions, industries, and youth organizations throughout North Africa to strengthen the Union of the Arab Maghreb by broadening its horizons and heighten its contributions by serving the general interest in a complementary fashion.

Unifying the March of Peoples of the Maghreb [passage omitted]

The peoples of the Maghreb have fought together and endured together. The time has therefore come for them to join forces and coordinate their action in the fight for

economic, political, and social development. The leaders of the Maghrebian countries must pledge to conform with the will and aspirations of their nations and take their concerns, specificities, and linguistic and religious attachments into account.

This is the goal for which the National Rally of Independents is fighting and it is why we have always paid particular attention to the various Arab summit conferences and expected decisive resolutions.

Egypt's return to the Arab ranks fills us with hope. After supporting that brother country and working for its return, we hope for a general reconciliation that will restore harmony to hearts and ranks and improve mutual understanding and collective reflection. [passage omitted] We have great hope of seeing that democratic spirit win over all Arab countries and its positive effect carry over to the Arab League, instilling it with new blood and giving it civilizational and human support that will ensure the protection of the rights and liberation of the occupied territories and Al-Qods Ach-Charif. May it speed up the process begun by the Intifada and the struggle of the independent Palestinian state to achieve its objectives.

We are enamored of peace, but the Zionist savagery greatly alarms us. We are also concerned by the crises and upheavals experienced by the sister republic of Lebanon. We are not indifferent to the racist crimes and misfortunes endured by other Third World nations. [passage omitted]

Sebta and Melillia

This was the goal of our horizontal approach, whether it be to the Atlantic in the West or the East in the direction of our Arab brothers and Asian friends or, vertically speaking, to the south in the direction of deepest Africa or the north toward Europe. We want to confirm our presence as a human crossroads radiating hope and as a zone of communication between peoples seeking the security of men and their economic and social development.

It is a hope dear to us, especially since Spain, separated from us by only a few kilometers of water, is convinced of it.

Spain must first and foremost settle the problem of Sebta and Melillia and the northern islands still under occupation. Spain assumes a historic responsibility by bringing into the matter the element of bilateral cooperation, our relations with the European Economic Community, and the reality of the Union of the Arab Maghreb, which requires the EEC to depart from outdated regulations.

On the other hand, Morocco must adopt a clear policy concerning fishing and the rational use of its ocean resources, submitting the entire matter—with respect to

the EEC that profits from it and the Spanish fishing fleet that predominates in the area—to regulation based on the notion of fairness so as to protect our resources. [passage omitted]

Moreover, we are convinced that the constant struggle of the King and the special personal ties he maintains with other monarchs, emirs, and Arab and Muslim presidents, along with the great respect that world organizations and international circles have for the sovereign, constitute a guarantee and promising base for building a healthy international society guided by love and peace. [passage omitted]

Our certainty of victory explains our flexibility, which has led us to accept the principle of the referendum in our southern provinces.

What has thus happened on this matter, which has been the object of sustained interest and the total support of national public opinion?

Referendum Will Sanction Historic Truth

The strength of our trump cards and the irrefutability of our arguments leave our adversaries no chance. The conviction of our brothers and sons in the Sahara, their attachment to the mother country, and our determination to give the last touch to our territorial integrity and free our occupied regions take on ever greater intensity and strength. We are ready at any time to receive the United Nations organs responsible for the matter. Nor does the inevitable outcome leave any room for doubt. The last word will be one of justice, legality, and historic truth. [passage omitted]

We seize this opportunity to tell our courageous Royal Armed Forces how proud we are of their bravery and we pray for the souls of our martyrs who have fallen for the cause of justice and our nation's honor. [passage omitted]

The National Rally of Independents since its creation has worked for the cause of the members of the Liberation Army and asked that justice be done for those still living and the survivors of those who died. The RNI has recommended that that account be settled by paying homage to the nation's heroes.

Our national duty calls on all of us to demonstrate more cohesiveness and cooperation and mobilize all our human and natural potential so that our present and future may be in harmony with our struggle and international position. This is possible only by safeguarding the coexistence of citizens, developing our resources, limiting waste, finding solutions to the different problems of underdevelopment and the decline in morals, and eradicating illiteracy and contempt for rights.

This is a debt we must pay and a political option the RNI holds dear. It is one that the rank and file, party structures, and leaders embrace. They urge the lower classes to continue the struggle until these principles become a concrete reality inscribed in our social policies and future goals.

While we are defenders of social democracy in a disciplined liberal spirit, our position on government responsibilities, on the other hand, is clear.

The government must assume its responsibilities totally, preserve the general balance, and encourage free competition, production, and the mobilization of the nation's live forces and potential.

National Administration and Economy

It must also mobilize the representative and reform-oriented entities, guaranteeing freedoms, equality of opportunity, and fairness in rewards and compensation. It must properly administer the public good, the driving sectors of our nation, and ensure the country's security while guiding those sectors that do not have strategic forces and encouraging them until they are capable of ensuring their own development.

The public sector has its role and its domains that do not allow the government to abandon certain key sectors. It has an obligation to retain control of their management.

The government must rehabilitate and consolidate certain key sectors, root out irresponsible officials, and open the doors to persons competent to manage them, for this mission is not the monopoly of any part of the nation to the exclusion of all others.

The private sector has its role to play and its material domains in creative work and free enterprise. Nevertheless, we are asking for the creation of conditions that can secure the general interest and total fairness so as not to make the rich richer and the poor poorer. We also ask for the fulfillment of commitments made by the government to preserve transparency in the execution of decisions.

We remain convinced that the economic situation cannot be effectively remedied without the eradication of bureaucracy and complicated procedures or the rehabilitation of the administration and a fight against social inequalities.

We have said on all occasions that any economic recovery that fails to take the human and social factor into account can only give rise to concern on our part as to the seriousness of its effects.

This explains our differences with international financial organizations that do not generally grant credit to human and social factors and that look solely at what serves their profit and interest, visible and concealed.

If the industrialized, creditor state protects its industries, the rules on which international financial institutions are based are, on the other hand, unjust and greedy, forcing developing countries to open their doors and thus increase their debt.

The truth is that developing countries are incapable of assuming the consequences of their debt themselves. It is the duty of creditors to find a suitable way out of this critical tunnel, for these countries are the main beneficiaries (before the debt, through, and after the debt) and the main users of the resources of the debtor countries. What is more, it is these countries that impose low prices for raw materials and deprive debtor countries of the means of modernization and technological development.

Despite the liberalization of foreign trade for which we are calling, we must be up to the task with respect to the protection of the national economy and production. To do so, we must create a pedagogy and the proper means to convince citizens to "buy Moroccan" without being forced to do so and thereby participate in a national development that will ensure economic independence and political credibility. It is understood that the more we are aware of the need to protect our products and consume local goods, the more we shall help wipe out unemployment and guarantee a decent living for the unemployed. That is why it is necessary to undertake a policy of awareness aimed at protecting our local industries against speculation and blows dealt by contraband in all forms. There is no need to emphasize that the temptation of easy gain has in the case of some individuals contributed to the proliferation of smuggling operations whose harmful effects on many sectors have undermined confidence.

It is true that we are not the only ones to complain of this scourge and drain, but it is all the more intolerable because our history and religion should be a bulwark against such phenomena. And yet, if we believe there is a remedy for every malady, it is necessary to preach good conduct when necessary and punish when there is no other choice.

No Effective Lesson Without Promotion of Scientific Research

In other words, we want an economic recovery that will punish the guilty within the framework of the law and the basic principles of our society. But to do so, the government must courageously arm itself to objectively face the problems of education, employment, health, agriculture, and so on.

Concerning education, we scarcely doubt the intentions of those who have presided over the destinies of the sector since independence, just as we do not underestimate the infrastructures or distance covered in terms of establishments and institutions founded throughout the

country. And yet, we have our own vision of the eradication of illiteracy, our own proposals about Arabization, and our own opinions on our Islamic identity and attaching education to the process of technological evolution. But no education would be effective if one did not grant definite importance to scientific research.

The quality of education in general is measured by the size of the budget allocated to it and on the basis of planning relating to the needs of society and the requirements of its development. It goes without saying that scientific research is essential to education, but when one realizes that only 0.2 percent of the GNP [gross national product] is allocated to scientific research, one realizes that we are below the standard.

We also have our criticisms of certain practices that create trouble and taint relations between those teaching and those taught, thus helping to lower the level of general education and professional training and result in unemployment of university graduates. All of this is the result of an unstable process and ill-defined objectives.

Education is a national need of interest to everyone and we hail the spirit of self-sacrifice of the teaching profession trying to educate the future generations. We reaffirm that the nation's future depends on the success of the educational process and its output. But among the priorities, one must draw up a national educational charter as a legal framework to mobilize competencies and emerge from the tunnel and successive crises. From its very creation, the National Rally has called for the drafting of such a charter that it deems to be a suitable means of making education and training a prosperous domain in which goodwill and competence may assume their responsibility.

As for agriculture, which has always occupied first place in our successive plans, our concerns revolve around two factors: the human element and equipment and organization.

Human Element as a Factor of Agricultural Development

Actually, some 55 percent of all Moroccan citizens are farmers and the sector employs 40 percent of the active population. Moreover, this aging group is no longer being replaced by the younger generation, which is more attracted by the lure of the city. Hence the exodus to urban areas with the consequences that are only too evident: shantytowns, the growing numbers reduced to begging, and other evils.

It is high time to view the human element as the essential factor of agricultural development, preserving the dignity of rural people and providing them with the essentials: drinking water, indispensable road systems, an examination of the issues of education, health, housing, electrification, cold-storage and regular storage units,

and the construction of pilot villages. It is also indispensable to review our credit policies, making them fairer and more flexible, for one cannot ask a farmer without means of communication and burdened by debt to acquire new techniques so as to be up on modern agriculture and meet the needs of the domestic and foreign market. How are we doing with respect to marketing at fair prices and in the search for new markets? What have we done to integrate technical personnel into agriculture, production, commerce, and agro-industry? How are we doing on hiring, extension training, and agricultural research?

All this requires study, analysis, and application if we truly wish to ensure self-sufficiency that will preserve our economic and political independence and free us from the pressures threatening our security and stability.

All of these issues are being set forth and examined by the National Rally, along with other concerns of the Moroccan citizen: housing, facilities, culture, health care, justice, industry and mining, and services. It is all linked to fiscal reform, which makes citizens help with government burdens by handling their fiscal obligations, although without too many limitations and rationally, considering the social conditions of blue-collar workers, civil servants, and small taxpayers.

Private Sector To Promote Creation of Jobs

It is also necessary to encourage the business world to participate in national saving, to invest, to create jobs, and to hire university graduates, integrating them into the private sector and the civil service. The private sector must promote the creation of jobs, which is one of the demands the National Rally has never ceased supporting.

Ladies and gentlemen:

There can no longer be any doubt that democratic behavior has greatly evolved thanks to scientific and technological innovations; the world has grown smaller thanks to means of communication and [because] the ability to store information has greatly developed. It is now indispensable to further our reflection by constantly choosing what is best in an atmosphere of solidarity and unity.

This global vision can lead us to the essential democratic realities and evoke the role of local communities, which are actually small parliaments with the power to act and participate in decisionmaking and responsibilities.

As you know, we in the National Rally have always called for the broadening of the base of the communal councils that we are convinced strengthen decentralization and give regionalization its contours. Any action in that direction inevitably leads to a revision of the powers

of the central administration and encourages local communities to carry out the mission assigned to them under the best possible conditions.

Collective Responsibilities

This is consequently an opportunity to express our opinion on the latest guidelines relating to the creation of new communities and a new administrative arrangement.

Actually, we are examining the matter with the proper authorities and the parties concerned through the presidents of the Rally's local communities, but we must give our opinion at this meeting, an opinion that can be summed up in the fact that we always favor an arrangement if it guarantees freedoms, brings government closer to the citizen, and causes citizens to participate in collective responsibilities. But we oppose any arrangement that would sanction the primacy of the administration over the daily life of communities and thus destroy the unity and role of these institutions.

The dahir of 1976 provides for and guarantees the conditions needed for these communities, but criticisms are rather aimed at application and practices that do not always take council prerogatives into account.

We can state that the central authority protects communities and considers their powers, but application on the local level differs from one region to another. Provisions of the dahir are applied in some places and thwarted in others.

We look forward to the results of the next seminar on local communities and hope it will bring a new wind sweeping away obstacles and paving the way to solutions. If the seminar takes place under the banner of responsibility, then we believe it must begin with the very persons who bear it in the provinces, respecting the rights of elected officials and enabling them to carry out their mission as defenders of legality and the law. Moreover, elected officials must also unswervingly assume their responsibilities, protesting any violation, for the mission with which the voters entrusted them requires that they respect the law and defend its principles.

Ladies and gentlemen:

There are several issues and questions of concern to our party that are being taken up by our parliamentary group in the House of Representatives, particularly the situation of the tens of thousands of our university graduates who are ready to help build the country. As you know, these young people must endure precarious conditions imposed by our situation and especially by the structures of our economic and financial sectors. We have never ceased calling for the participation of these young people in democratic action through political organizations. We shall continue to call for the opening up of prospects for

these young people in order to help them fulfill their creative potential and give the country the benefit of their vigor through development projects in the public and private sectors.

We also call for access for women to the economic, social, and political domains, for the level of development of any society can be measured by the degree of advancement of women. The National Rally is among those working to define certain provisions and administrative standards guaranteeing women's rights and enabling them to participate in democratic action, its political and trade union institutions, and the march toward development through our economic, social, and cultural structures. [passage omitted]

If the House of Representatives is made up of multiple political convictions and factions, this basically means differences of opinion and vision that require courage in the presentation of options and the expression of aspirations, and attachment to the general interest prevailing over any other consideration.

Our parliamentary group has always worked in the direction of greater vigor and the revival of parliamentary action through its contribution to dialogue and by presenting alternatives and strengthening dialogue by frankness and realism.

The House of Representatives has fulfilled its role, particularly in the area of international relations, by establishing contacts with parliamentary institutions in all parts of the world, thus expressing the Moroccan situation, defending its achievements, and examining all bills presented by the government.

These bills are all the subject of dialogue and debate and are passed only after being rewritten, amended, or expurgated.

We can say that parliamentary action is evolving and that it is steadily improving. [passage omitted]

Enlightening Public Opinion

All of this is reflected in the media, which regularly inform public opinion of parliamentary activities. The national press has in fact covered all our work, particularly sessions involving questions put to the government and relating to current issues. Actually, those dealing with current problems are a habit we developed only a year ago and are a positive step in parliamentary action.

Here we must express a word of thanks to our party's press for praising its role in the explanation of our positions and our daily fight, as well as in its participation in broadening the circle of political dialogue and the elucidation of major problems in order to enlighten national public opinion.

In order for our press to fulfill that responsibility under the best possible conditions, we have collated our editions and housed the printing presses in a building reserved for the purpose. Insofar as possible, we have tried to provide them with modern equipment.

However, our press still remains below the standard we would hope for because of essentially material difficulties. For this reason, we have viewed the royal support for the national press as an avant-garde action worthy of respect and gratitude. [passage omitted]

Government financing of the press and political parties is the best possible guarantee of the independence of decisionmaking in Morocco. [passage omitted]

Constructive Party [passage omitted]

We have been constructive in both situations: in power and in the opposition, and we shall remain constructive as a progressive and democratic social organization.

That is our transparent reality and these are our bold, militant positions announced in our press under the cupola of Parliament, free in the different debates, progressive in the economic and social domains and in all procedures, approaches and actions.

The National Rally of Independents must constantly recall these truths, find determination in them, and submit them to the principle of dialogue, debate and coexistence with the different political factions and organizations whose objectives are noble, humanitarian, patriotic, and democratic.

Respect for Human Rights

On the basis of this fundamental idea that has been part of our platform and positions since the very first congress, we have worked for human rights alongside all those joined together in the same cause. We have always been concerned for and committed to seeing all citizens exercise their rights within the framework of inviolability and dignity guaranteed by the constitution. It is the citizens' right to appeal to administrative justice in order to defend their legitimate rights and appeal administrative decisions they consider to be unjust.

In the future, the RNI will work to increase the number of administrative courts so as to bring them closer to the citizens, who must become accustomed to defending themselves against administrative abuses within a state of law.

This truth does not mean the existence of the law of the jungle, but emphasizes a deep-rooted faith and fight aimed at correcting daily practices and overseeing those responsible for handling public affairs.

It would be more fitting for us, the defenders of justice and law, by virtue of the teachings of our religion, constitution, and the fight of our sovereign, to ratify all international agreements and accords to which Morocco has not yet subscribed dealing with human rights such as the Convention on the Abolition of Torture and the Complementary Protocol to the International Convention on Civic and Political Rights.

We also intend to pursue the fight to put an end to all violations and excesses of which the citizens are victims, particularly in rural areas and remote provinces, and to integrate human rights as a subject to be taught to our children in high school and the university.

In so doing, we shall have neither invented nor implanted an imported heresy, for our holy religion honors human dignity and establishes equality between Whites and Blacks, weak and strong, rich and poor.

Islam forbids shedding the blood of an individual, attacking his honor, plundering his property, violating his home, changing his consanguinity, expelling him from his homeland, or limiting his freedom.

By these supreme principles, Islam has honored human rights and established equality between men and women, who have as many rights as they do duties.

In keeping with the precepts of our religion and our constitution and in order to preserve the pride bestowed by our national reputation, we refuse to accept the possibility that on the smallest parcel of our territory, our citizens' rights could be violated.

That is why we express our great satisfaction and joy over the royal decision pardoning a number of political prisoners and we hope it will be followed by a great step that will reduce to silence and paralysis those who take advantage of any opportunity to speak ill of us and injure our human dignity when we live in a country that enjoys freedom and dignity.

The age in which our country is now living with the emergence of the Union of the Arab Maghreb, prospects being opened up by the 21st century, and the contributions of democracy, comprise the best incentive to realize the people's aspirations of respecting and giving consideration to opposing opinions.

The National Rally of Independents, which has worked in that direction, remains attached to this worthy fight, convinced of its civilizational and human scope.

Ladies and gentlemen:

If there is one gesture we must make toward our emigrant community, it is definitely to praise and congratulate it for the royal solicitude that required its participation in elections and representation in Parliament.

Among the truths we must never forget is the fact that we in the National Rally have lived through all these phases and even today continue to experience along with them the problems of the third generation, with all it implies in terms of the preservation of their Moroccan identity and individual Arab-Islamic traits.

The time has come to think seriously and with commitment about anything that would tend to strengthen their attachment to their national identity, in keeping with an overall plan that would hasten to open up cultural centers to preserve their characteristic traits and serve as references for the generations that intersect and develop outside their homeland, as other nations do.

While sending fraternal greetings to all of our sons and emigrant brothers through their representatives in the RNI, who did not hesitate to make sacrifices and face the difficulties of traveling to be here with us and participate in our work, we recall the contacts made by delegations from our Executive Bureau, Central Committee, and press to renew communications and solidarity with emigrants in their distant locations, revive the humanitarian action that concerns them locally, and open up new sections of the RNI to train and bind them to their mother country.

If we are happy to observe their high morals, patriotic enthusiasm, attachment to the Throne, loyalty to our sovereign, and thirst for information from their homeland and about events there, if we are satisfied with all the efforts aimed at creating the organizational conditions and economic opportunities for their participation in development, and if we give consideration to what has been done in terms of means of transportation and the number of measures taken by the administration to facilitate crossings, we can, in all frankness, only deplore certain violations that are incompatible with national dignity, the indecent situations faced by members of our emigrant community, campaigns of seasonal searches, and numerous control points deep inside the national territory, particularly in the North, when we are talking of those who have sacrificed what they hold most dear, who have the right to expect respect and consideration from us, and who, if the opportunity were afforded them, could constantly contribute to the country's economy through their savings, transfers, and investments.

Before closing, we must report that we are on the eve of plans for the Third National Congress and must prepare to hold regional congresses in order to make the voices of the masses heard so that they might announce their demands and aspirations through their local bodies. [passage omitted]

There is one more aspect that, despite its circumstantial nature, constitutes a guarantee of the democratic practice that we undertook at the end of the 1970's through the firm will and foresight of the King.

In fact, next year we embark on a new phase of our democratic process, preceded by communal, professional, and legislative elections that will be conducted by a new generation moved by new aspirations, one that will reaffirm a new democratic challenge in the country of continuing challenges.

This does not frighten us. On the contrary, it entrusts us with even more responsibilities so that we may participate in all seriousness and an orderly fashion in the new expression of a Morocco experiencing the effervescence of renewal and world transformations.

It requires that we embark upon a revision, that we reorganize the National Rally of Independents and strengthen it with responsible leaders, for what would be the value of a political organization that relies on sheer numbers and lacks intellectual and militant values and political competence?

In addition, it forces us to propose the alternative and look to the future with optimism, courage, and enthusiasm.

Ladies and gentlemen:

We ask God to help us, strengthen our step and guide us on the right path for the good of our nation and its citizens and the fulfillment of the renaissance initiated and protected by His Majesty King Hassan II.

Begging Reportedly Has Social Repercussions
45190102b Rabat L'OPINION in French 11 Jun 89 p 5

[Article signed O.M.: "Sometimes Begging Pays Well, and It's Not Hard"]

[Text] In our times, to say that begging is a true social evil, and that it is developing very rapidly, would actually be repeating truths everyone knows, as if trying to force open a door already ajar.

Begging could only "flourish" in a context favorable to its development, the building up of cities, the rural exodus, and the intermixing of people. Are all these beggars, who call out to people in the street or who simply ask for money while crisscrossing the city and its streets, really poor or do they not tend to put on an act, and take advantage of people's trustfulness? Do not these beggar women exaggerate a little, seated on the bare ground and surrounded by two or three little ones, wanting at all costs to attract others' sympathy for them? And those little children—they say some women "rent" them by the day—are they not victims of these beggar mothers who are using them to attract other people's attention?

In any event, there seems to be no limit to the phenomenon of begging, leaving aside its seriousness and its social repercussions. Our streets are crawling with these ragged beggars, each one adopting his own formula to get

the most money. Others who are older are accompanied by their offspring, either to lead them, if they are blind, or to help them get around on a tricycle by pushing them, since they are crippled or their legs disabled. The old Medina seems to be the favorite spot for these beggars. One seems not to notice them, since the phenomenon tends to become taken for granted, but it is enough to take a little walk around, on some Friday in front of the mosques, to see how many there are. So, can one put an end to it, and how? The problem is difficult to contain because of the enormous dimensions it is assuming. Because there are many causes for begging, it must truly be combated at that level, and not only by acting on its effects.

M'jara Project Objectives Outlined

45190102a Rabat L'OPINION in French 31 May 89 p 6

[Unattributed report: "M'jara, the Objectives"]

[Text] Carrying out this important project has the aims of:

1. Agricultural Production

On completion, the project will provide irrigation in the Gharb region for about 100,000 hectares and will allow:

- Sugar production, beginning with cane, by the exploitation of the third section of the Gharb.
- Milk production, with a view to having the Gharb plain contribute as much as 30 percent of country's milk requirements.
- Increasing the plain's output by raising rice production to 100,000 metric tons per year.

2. Protection Against Floods

Construction of the M'jara dam, together with the effect of already existing works and along with those under construction, will permit containment of the flood waters of the Oued Sebou and of its tributaries.

3. Energy Production

The hydroelectric plant projected at the base of the dam will make it possible to develop an average annual energy production of 390 GWh [billion watt hours], or saving around 100,000 metric tons of fuel per year.

4. Water Transfer

The M'jara dam will facilitate transferring 500 cubic meters of water to the south, particularly toward Chaouia, within the scope of national water solidarity, which seeks to meet the needs of the zones in deficit by transfer of water from zones with an excess of water.

It is planned that Soviet enterprises will provide, jointly with a consortium of European and Moroccan enterprises, the civil engineering for constructing the M'jara

dam and hydroelectric power station, and the related hydroelectric and electromechanical equipment. The project will take seven years to complete.

Participating in an introductory ceremony were: M. Mohamed Fettah, Minister of Energy and Mines; the general secretaries of the Ministries of Public Works, of Vocational and Management Training, and the Ministry of Finance; the director general of the National Electricity Office; as well as high-level leaders of the two ministries; and members of the Soviet Embassy in Rabat.

OMAN

Development in Relations With Hungary Reported

44040475 Muscat AL-WATAN in Arabic 14 Jun 89 p 5

[Article by Kamal Diyab: "Omani-Hungarian Relations Going Through Remarkable Growth"]

[Text] The first Hungarian fair currently held at al-Falaj Hotel marks the beginning of a new kind of trade relations between the sultanate and Hungary.

On the one hand, Hungarian citizens have the right now to own factories employing over 500 workers after they had been limited to only 10 employees. On the other hand, the Hungarian government has commissioned certain authorities, including the Hungarian Cooperative for Fairs and International Trade, to work toward creating new markets throughout the world for Hungarian products.

It was in connection with these developments in the Hungarian arena and in trade relations between the sultanate and Hungary that AL-WATAN conducted this interview with Dr Stephan Torok, director of the Hungarian cooperative and his assistant, Dr T. Major Kome.

[AL-WATAN] What is the scope of trade relations between the sultanate and Hungary?

[Torok/Kome] Until now, these relations have been more or less symbolic, but Omani-Hungarian relations some time ago went through a period of remarkable growth, thus affording the opportunity to hold the fair which we view as a real start for making contact with Omani companies. This is on the one hand. On the other hand, it is an analysis, or an exploration, of the Omani market in which we hope to expand our activities in the near future.

[AL-WATAN] What role is the commission playing in the establishment of trade relations between Hungary and other countries?

[Torok/Kome] We are marketing the products of close to 400 Hungarian companies and factories and we also undertake import and export operations. We maintain trade relations with most countries in the region, such as

the UAE [United Arab Emirates], Kuwait, Iraq, Jordan, Egypt and the YAR [Yemen Arab Republic] and the PDRY, [People's Democratic Republic of Yemen] to which we export \$6 million worth of goods a year, mostly in textiles, foodstuffs and cosmetics. The commission maintains marketing offices in most countries of the world, such as New York, Paris, and Moscow, and we are now thinking of opening an office in Dubayy. We also have joint ventures in Munich and Vienna.

[AL-WATAN] Hungary is located in the middle of Europe. Is there a connection between the European Common Market and the opening of new horizons for Hungarian products?

[Torok/Kome] With regard to opening new horizons for Hungarian products, this is due to a new policy the Hungarian government is following. As for our relations with the ECM [European Common Market], there is an agreement concluded between the Hungarian government and the ECM under which Hungarian textile, steel, agricultural and food products may be freely marketed without restrictions up to 1995.

[AL-WATAN] In view of the reforms that has taken place in some socialist countries, can it be said that Hungary is going through a perestroika?

[Torok/kome] (smiling) Yes, we do have perestroika, but of a new kind. Hungary is now more open than at any time in the past. Hungarians are now allowed to travel anywhere they want and visitors can obtain an entry visa at all ports of entry at any time. Subjects of some countries that have agreements with Hungary can enter the country without a visa.

A citizen how has the right to own a factory employing up to 500 workers while in the past they were limited to 10 owrkers. Moreover, a law enacted last December grants foreign companies the right to invest in Hungary. A significant case in point are investments by South Korean companies involved in the modernization of the electronics industries.

As a result of the changes in Hungarian policy, Hungary three months ago joined the European Parliament and has been commissioned, along with Austria, to organize the international fair, which is held every 7 years, for the year 1995.

Industrial Development Strategy Based on Imports
4404070 Muscat *UMAN in Arabic 10 Jun 89 pp 7,14*

[Article: "Imports: Do They Offer Opportunities for Industrial Investment? Domestic Industrialization Plays an Important Role in Reducing Imports"]

[Excerpts] That was the title of an analytical article on imports published in the latest issue—last April—of AL-GHURFAH magazine published by the Oman Chamber of Commerce and Industry. We reprint below

the full text of that article because of its subject matter's importance and significance for the strategy of industrial development in the Sultanate and in other members of the Gulf Cooperation Council (GCC). [passage omitted]

On the other hand, one country's imports are another country's exports and consequently are of interest to investors in those countries because of the investment opportunities they offer. It is given that many investment projects are based on foreign marketing strategies alone or in combination with marketing for the domestic market.

Visits by trade delegations to various countries simply aim to bolster this trend and encourage their export sectors (the import sectors in recipient countries) as well as to create new investment opportunities within their borders.

Imports, as we have seen, not only offer investment opportunities for domestic and foreign investors but have also become strategic targets for industrial development plans in developing nations.

The strategy of industrialization for import substitution in the third world has played a steadily growing role over the past three decades. This trend emerged because of the third world's failure to sustain world markets for their exports of raw materials on which their economies are based. The developing nations have experienced softening demand for their raw material exports and a drop in their prices relative to the price of industrial output exported by advanced industrial nations. This caused a drop in the foreign exchange income of developing nations resulting in deficits in their balances of payments.

In the sixties, there was general conviction in developing nations of the importance of industrialization and of its magical powers to relieve them from the fetters of poverty and economic subjugation to industrialized nations and to correct the fundamental flaws in their balances of payments. Thus emerged the strategy of import substitution through the industrialization of domestic resources.

There is no doubt that industrialization for import substitution is a fine and sound strategy if based on economic considerations. It has been our observation, however, that policies adopted to accomplish these strategic goals were neither suitable for, nor harmonious with, the economic patterns in many of the developing nations that adopted a strategy of industrialization for import substitution. This may be attributed to such factors as national jealousy and over-implementation of this strategy which is usually heralded by erecting a barrier wall of customs tariffs and of quotas on the substituted imports in order to protect fledgeling industries.

The economic reasoning for protecting fledgeling industries is to help them stand on their own feet and protect them from the hooks of giant foreign corporations and from such practices as dumping and stifling underpricing. Industrial protectionism also aims to insure that domestic industries grow to the ideal size at which they are able to produce low-cost output of good quality able to compete with foreign industry when protectionism is lifted after a steady period of growth.

In another field, the experience of developing nations with the strategy of industrialization for export was generally no more successful than their experience with the strategy of industrialization for import substitution. This is attributed to the wide technological gap separating developing nations from the advanced industrialized ones and to the barriers and customs controls employed by industrialized nations against entry by the industrial output of developing nations.

But the strategy of industrialization for import substitution affords developing nations more freedom of will and of movement while maneuvering, contemplating options, and adopting economic policies germane to their economic, cultural, and social conditions. Under the strategy of industrialization for substitution, they deal with themselves within their own domestic markets.

The small market size in developing nations is the most serious barrier to the strategy of industrialization for substitution. Regional economic complementarity of developing nation markets therefore affords them elements of success. The GCC region offers the best environment for the implementation of this strategy.

The strategy of industrialization of import substitution could form the second line for the industrial development strategies of GCC nations. The first line is the strategy of industrialization for the export of vital and heavy industries. The foundation has already been set for some of these, such as cement, petrochemicals, and aluminum. This type of industry enjoys relative advantage in certain GCC states, allowing it to storm the markets of industrialized countries and compete in them.

While other GCC industries that fall under the strategy of industrialization for export need advanced economic and technical components in order to compete in world markets, it is not believed that these components can be provided at the current level of industrialization with its high cost of production.

It is therefore in the interest of GCC states to concentrate on industries of the second line by adopting the strategy of industrialization for import substitution, especially since huge sums of money are being wasted on buying imports despite adequate industrial opportunities. Commodity imports by GCC states account for more than 45 percent of their gross domestic product. The value of commodity imports peaked in 1982 at \$88.7 billion and

was lowest in 1986 at \$59.3 billion. The Arab Gulf Cooperation Council could establish priorities for industries to be established under the strategy of industrialization for substitution, beginning with consumer goods, including food and durable and semi-durable goods.

As a GCC model, we will analyze imports in the Omani economy which is a GCC member.

Omani commodity imports account for about 35.5 percent and 32.3 percent of GDP in the years 1982 and 1986 respectively. The value of Omani imports peaked in 1985 at 1,088.9 million Omani riyals or 31.5 of GDP [gross domestic product]. Imports in 1987 were valued at 700.7 million Omani riyals of the Gross Domestic Product. The absorptive capacity of the Omani economy in the same year was about 2,414.4 million Omani riyals.

Producer goods accounted for the largest portion of Omani imports, reaching their highest ratio at about 36 percent of total imports in 1981 and settling during the past three years at around 26 percent. Their value was calculated in 1988 at about 811.1 million riyals or 26.9 percent.

Foodstuffs ranked second (in 1988) at 18.5 percent, followed by capital goods of machinery and equipment at 17.3 percent, down from a peak of about 24 percent in 1985. Transport and shipping equipment accounted for 16.6 percent. Durable consumer goods, such as refrigerators and television sets, and semi-durable goods, such as simple electric and household items, accounted for 15.7 percent.

Combined, foodstuffs, consumer goods, and semi-durables account for about 34.2 percent of total Omani imports.

Many industries in the Sultanate of Oman produce goods similar to those imported. There are also Omani industries that export to neighboring markets a portion of their output including foods and drinks such as refreshments, juices, sodas, milk and dairy products, bread and flour, sweets, animal fodder, vegetable fats and oils, biscuits, and potato chips. Such exports also include paper and printing supplies, all kinds of sponges, plastic containers, laundry detergents, perfumes, and tooth brushes.

Also exported are mineral and non-metallic products such as asbestos pipe, marble, floor tile, bricks, barite, copper cathode electrolytes, and aluminum in addition to metal equipment and products such as prefabricated refrigerated rooms, automotive refrigerators, electric water heaters, air conditioning units, automobile radiators, etc.

And yet, the list of Omani imports still offers many investment opportunities and needs detailed study and analysis in order to identify economically viable future industries.

The Sultanate buys about 51 percent of its imports from only three major markets—the UAE [United Arab Emirates], 21 percent; Japan, 15.2 percent; and the United Kingdom, 14.7 percent. The markets of 10 countries account for about 83 percent of Omani imports.

The geographic distribution of Omani sources indicates that the markets of advanced industrialized nations account for about 58 percent of imports. This could be an important indicator for the strategy of import-substitution industrialization in Oman. There is an investment opportunity in this geographic region but it requires advanced technological standards.

In short, the role played by import activity represents a complementary function of great benefit to humanity.

TUNISIA

PCT Council Results in Party Reassessment

Party Leader Interviewed

45190109 Tunis REALITES in French
16-22 Jun 89 pp 23-25

[Interview with Mohamed Harmel, secretary general of the Tunisian Communist Party [PCT], on the occasion of the party's national council meeting, by Moncef Ben M'rad and Slim Bagga: "Harmel, the Dissidents, the Islamists and the Regime"; date and place not given]

[Text] Everyone knows Mohamed Harmel, secretary general of the PCT. He is a veteran of Sadiki, always affable, good at repartee, and—like Gorbachev—willing to adapt to change. We interviewed him on the occasion of a lively national council meeting.

[REALITES] The last National Council of the PCT reportedly saw the emergence of a radical line within your party. What are your thoughts on that?

[Harmel] I do not think any radical line emerged. We engaged in a critical review of political and organizational problems. That review gave rise to a broad discussion that led us to embark on a more profound consideration and reassessment of the ideas we have been working with all along, which at the same time entailed the revision of certain concepts and a return to the idea of a leftist bloc. We are a radical party, a democratic and progressive opposition party. Therefore, we have both radical and constructive proposals. We reject the role of token opposition, just as we reject the verbal radicalism and simplistic analyses that have done so much harm to the left. This gave rise to the discussions about our policy in its various aspects.

[REALITES] Some members object to the civic contacts you have with the regime...

[Harmel] It is possible, and regrettable, that some people do not grasp the importance of the cultural relations we may have with the regime, even though such relations are very infrequent and quite official. We have gone to great lengths to explain these relations that the party decided to enter. Sometimes perplexity or lack of understanding comes from a one-sided or even superficial reading of our policy. It is true that the supportive aspects of our policy should not obscure our role as an opposition party, particularly with respect to economic and social positions. Besides, the situation has changed since the elections...

[REALITES] Some people reproach you for excessive personalization of your party. They say the PCT is becoming more and more identified with Mohamed Harmel personally. What do you think about this?

[Harmel] The secretary general appears more often in the media, and finds himself more often sought out by the media, even though we have always tried to encourage other officials to express themselves. A secretary general must assume those responsibilities as part of his job. But I think I can say that we are the only party where all decisions—from the most trivial to the most serious—are taken in a collegial and democratic manner, where everyone's energies and ideas are encouraged, so that everyone may have room to grow and take on responsibilities, where self-criticism prevails at every level and no one is exempt from it.

[REALITES] During the most recent national council, there was criticism about the platform's lack of appeal.

[Harmel] I will go further than that. I said at the national council that the party as a whole lacked effective structure. Despite the attractive political initiatives we have taken, our creative analyses, and our democratic and popular platform, we lack effectiveness. We are very demanding of ourselves. We believe there are several reasons for our limited effectiveness. To find the roots of this relative lack of effectiveness we must go beyond those objective causes tied to the increasing strength of rightist currents, which are doing everything they can to thwart our plans and all the plans of the left—we must look at the fact that we are to some degree confined by our structures and our conservative habits as well. We must renovate all that, and in a fundamental way.

[REALITES] Is it true that there is a radical wing within the PCT led by Mustapha Touati?

[Harmel] No, I do not think so. These ideas about a radical wing and its leader are absolutely inadequate, for the simple reason that it is the party—through its policy, its program—which is radical in the true sense of the word. We have popular traditions and also leftist traditions, worker traditions. Discussion brings out both convergences and divergences, correct and incorrect positions, and not always on the same questions.

REGIONAL AFFAIRS

ACC Secretary Discusses New Joint Projects 45040394 Cairo AL-AHRAM AL-DUWALI in Arabic 20 Jun 89 p 3

[Interview with Dr Hilmi Nimr, secretary of the Arab Cooperation Council, by 'Abd-al-'Azim al-Basil: "Arab Cooperation Council Secretary Tells AL-AHRAM, 'This Council Moves Steadily, Does Not Indulge in Rhetoric';" date and place of interview not specified; first six paragraphs are AL-AHRAM AL-DUWALI introduction]

[Text] It was not odd that President Mubarak chose Dr Hilmi Nimr to be his nominee for the position of secretary general of the Arab Cooperation Council [ACC].

Dr Nimr is an economist with a keen political sense. He is also a person who held more than one position as a scientist and a popularly elected official. Dr Nimr served as president of Cairo University for 4 consecutive years, and he is now serving as chairman of the Plan and Budget Committee in the People's Assembly.

According to Dr Nimr, the impact he had in the many positions he held throughout his lengthy career has been modest. But then he was recently chosen by a vast majority of merchants to serve as president of their union to settle the conflict which that union has been experiencing for long periods of time.

Although his selection as secretary general of the four-member council took him by surprise, the choice did not surprise those who are aware of the nature of the stage we are going through. This stage is one that has been characterized by economic floundering. It is a stage that forced us to consider the establishment of an Arab Cooperation Council which would carry Egypt as well as the other members of the council to safety.

That was when Dr Nimr's name was proposed. Dr Nimr was nominated at this time in particular to steer the council on its course because political leaders believe in his ability to confront challenges.

What does Dr Hilmi Nimr, the secretary general of the ACC, say in his interview with AL-AHRAM? What is his plan, and what role will his council play in the coming days?

[AL-AHRAM AL-DUWALI] Given the ACC's tasks and the resolutions it declared during the Alexandria Summit meeting, which resolution is to receive top priority for implementation? Which resolution will be implemented first so that the people in the countries that are members of the council will have a sense that this cooperation is fruitful?

[Nimr] What matters to us is that the process of cooperation is not carried out hastily. Cooperation must come about gradually and steadily. Opening up areas for large investments and broad cooperation and then dragging our feet when it comes to implementation would not be in our interests. Our problem in the Arab countries is characterized by very odd contradictions.

[AL-AHRAM AL-DUWALI] How is that?

[Nimr] What I mean by that is that in our area decisions to invest are either hastily made and acted upon without being studied, only to show later that these investments were not feasible, or they are made after an extremely long period of study that may be as long as 10 or even 20 years. Consequently, money is wasted because prices are always rising.

That is why the ACC has to start with good studies. This comes first. There are studies on some projects in the ACC countries which are ready to be presented when the General Secretariat holds its next summit meeting in San'a' next September 25. My task during this period is to put these projects together and to put them on an agenda which is to be presented to the ACC's board of ministers when that board meets in Baghdad next August.

[AL-AHRAM AL-DUWALI] What are the most prominent of these projects?

[Nimr] I can give assurances about some of the projects in Egypt, but I will be visiting Baghdad soon to find out about some of these projects so they can be presented before the scheduled period in August.

The Egyptian projects include projects which have to do with energy; projects which have to do with the transportation system; and projects which have to do with aviation. A general view of these projects was presented at the summit meeting, but details about them will be presented at the next summit meeting. Although a council of the heads of aviation authorities in the ACC countries has in fact been formed, that council will meet soon to approve and sign the air space agreement between the member countries.

Planning and Follow-Up

[AL-AHRAM AL-DUWALI] In this regard, what role will the ACC secretariat be playing to implement these tasks in coordination with the ACC's board of ministers and supreme board?

[Nimr] It is the function of the secretariat to follow-up on the process of implementation and to find out about problems that come up. In implementing decisions my philosophy has always been one of personal relations. It is natural that there would be problems, especially with some of the obsolete laws in the Arab countries. To solve these problems we can either propose amendments to the

laws which affect these projects, or we can write new provisions in addition to those which control projects in each country. These new provisions would pertain specifically to ACC projects, and they would be distinguished by a measure of flexibility.

If some of these problems have to do with officials or with some of the new provisions, the only thing we can do then is to see to it that a decision is made on the summit level.

From now on I will be making direct contact with the prime ministers of the countries so I can present to them a step-by-step progress report on the resolutions of previous summit meetings. We can thus avoid the slow implementation of these decisions.

Agreements, Not Studies

[AL-AHRAM AL-DUWALI] Many studies were talked about during the period between the date on which establishment of the ACC was announced and the date when its secretariat was formed. One of these studies dealt with establishing a federation of chambers of commerce in the ACC countries. What are the characteristics of this study?

[Nimr] Actually, that study was not presented. What was presented was a set of agreements on the council's operating procedures regarding immunity and privileges for the council's members. These procedures were approved. So far, no studies associated with other agreements have been presented, but they may be presented at a later time.

[AL-AHRAM AL-DUWALI] The Arab al-Jisr Company, which operates a shipping route between al-'Aqabah and Nuwayba', has been successful in the field of transportation and communication. What can you tell us about the most prominent transportation projects which are to be implemented soon?

[Nimr] Projects in the field of transportation and communication are relevant; they are among the most important projects which should receive priority. We have been talking about economic integration and calling for it, but there can be no economic integration without a very good transportation system on land as well as on the sea.

Can you believe that we had to spend one night in Saudi Arabia on our trip from Jordan to San'a'? We had to take a flight to San'a' from Saudi Arabia because there is only one airplane which flies from Jordan to San'a', and it makes only one flight a week.

We must therefore devote attention to a good transportation system that would link the four countries together and integrate them geographically.

[AL-AHRAM AL-DUWALI] What is the most outstanding new project in this field?

[Nimr] There is a railroad project that would link Cairo with Amman, but that project is still under consideration.

Collective Purchasing

[AL-AHRAM AL-DUWALI] In the area of agricultural cooperation, the people of the ACC countries are putting much hope on trading each others' agricultural crops and achieving food security. What do you think about that?

[Nimr] Food security is not a matter of trading each others' agricultural crops because the problem of food is a common one in the four countries. In Egypt we rely on foreign countries: we import 60 percent of our food from abroad to satisfy our needs. Trading each others' agricultural crops is irrelevant unless there was a surplus. This is what logic would say.

We can achieve two things in this regard, however. First, we can decide collectively to purchase staples and foods at reasonable prices. Whatever we save on the prices we pay would benefit the four countries.

Second, the ACC countries must pay attention to agriculture. It is estimated that arable land in those countries makes up 72 percent of their total collective territory. Iraq had a major land reclamation experiment, which did not get the push it needed because of the circumstances which Iraq went through. The process of land reclamation in the ACC countries must be reconsidered so that wheat can be cultivated in large areas of land to solve the problem of food security which affects citizens directly.

We Welcome the Free Zone, But...

[AL-AHRAM AL-DUWALI] In establishing the ACC we hoped we would have a common Arab market. That requires the presence of a free trade zone where the components of production may be exchanged. Such a free zone would allow the free movement of labor, goods and services, and capital between the ACC countries. How do you envision the establishment of this free zone? What about guarantees for its success?

[Nimr] I think that a common Arab market is the ultimate goal for the successful integration between the ACC countries. The experiences of Europe's Common Market are clear in front of us. Europe took very deliberate steps when it established its common market, and that helped it succeed.

That is why I say we must not rush into setting up this market. Our present quest for integration will lead us to it at a future stage. We will achieve that after we achieve both economic integration and trade integration.

[AL-AHRAM AL-DUWALI] What about the free zone?

[Nimr] We do not want to make the same mistake we made here in Egypt when the free zone was transformed, unfortunately, from an export facility to one for trading and smuggling goods into the country. We do not want to have such a problem to deal with, especially since the beneficiaries of this zone are its merchants and brokers.

We want a free zone to become a tool for economic growth.

[AL-AHRAM AL-DUWALI] How would that be achieved?

[Nimr] It will not happen unless specialized industries are established in the free zones. This is what I personally think, not what officials in the ACC countries think. We need a strong push for the private sector in this zone because, in my opinion, the private sector is more capable than the public sector is of exporting goods. The private sector can export goods more promptly than the public sector can.

Let me affirm that we cannot touch the public sector in these countries because it has become the foundation of support for these countries. At the same time, the private sector must be invigorated because we have to have a good private sector that functions alongside the public sector. This is one of the responsibilities of the ACC: to encourage the private sector. Such an approach can be found and does exist in all the ACC countries. Evidence of this can be found in the private sector's investments in Egypt's plan; these investments have now amounted to 18 billion pounds. Jordan's private sector is also receiving the same attention.

That is why the idea of a balance between the public sector and the private sector must be discussed at the summit level so that the required push can be provided and a free zone established. This balance between the private sector and the public sector provides a certain guarantee that the free zone would succeed because export is the private sector's main activity.

From the Private Sector to Labor

[AL-AHRAM AL-DUWALI] You've just spoken about the importance of the private sector's role in creating the free zone. What about labor, which is considered the second important side of the development triangle?

[Nimr] Let me be realistic. Labor is very important because more than one aspect is involved here. First of all, there is labor competence, a subject which should be studied by various training centers. And a study of labor competence should be preceded by some kind of integration in a good system of education. We could thus avoid complaints about graduates' weak standards.

I am still being realistic when I say that it would be difficult for me to say that priority will be given now to this matter. We will, however, look into this matter of devoting attention to education, and we will study it. This is not rhetoric at all. We will look into this matter to pave the way for the implementation of good educational programs in stages.

[AL-AHRAM AL-DUWALI] What about the second aspect of the labor question? What do you have to say about that?

[Nimr] This is a question about the ACC countries sharing labor. And here I must be unequivocal. This council was not established to move one country's unemployed to another country.

[AL-AHRAM AL-DUWALI] But isn't there an agreement which was signed at the Alexandria Summit meeting that provides for sharing labor?

[Nimr] Yes, there is an agreement, but the most important provisions of that agreement deal with abolishing entry visas and abolishing fees. What is even more important in the agreement is that preference is to be given to workers in the four countries. This entails the expulsion of Asian workers and workers from other Arab countries that are not members of the ACC. While this will create new employment opportunities, these opportunities will be limited to what is available in those countries. Thus, workers can move between these countries depending upon these countries' capacities to accommodate them. This matter is now being studied, and vacant employment opportunities which are available in the ACC countries are being listed.

Information Exchange

[AL-AHRAM AL-DUWALI] Dr Hilmi Nimr, when it comes to Arab cooperation, the process of sharing information and the flow of news to and from the ACC countries cannot be ignored. The question is about the plan which was prepared by the secretariat to share information.

[Nimr] An information system is one of the main things in the management organization at the council's general secretariat. We will start devising a plan for such a system because we can do nothing without it.

I announced that I will be making several visits to the ACC countries to collect this information myself because I do not rely on reports and on committees that go and bring me back one piece of information. I prefer to go to every country and to see with my own eyes and hear with my own ears.

The information that I will collect will be the first units of information that I will use to build the council's information system. All the information about economic integration in all the economic units in the [ACC]

countries will be added to that system. Information about the systems in different councils in the Arab countries and about integration councils in other European countries will also be added.

Standards of Selection

[AL-AHRAM AL-DUWALI] How many members will the council's labor board have, and who will choose them?

[Nimr] The assistant secretary general has been chosen; he is from Iraq. I will choose the employees myself. They have to have mastered the use of the language, and they must have had considerable experience with international or Arab organizations. I will not engage in any special favoritism when I select the employees because that would be at the expense of this council's success.

We determined that this council should be staffed by 59 employees who will be chosen from the four member countries.

I will propose the establishment of an ACC Department in the various ministries of the ACC countries. That department would have three officials, and its aim would be to monitor implementation operations of ACC projects within the scope of that ministry. The department would also provide information about the existence of the council. We hope that this will materialize even if only within the principal ministries.

There will also be a special ACC unit in the prime minister's office and in the Ministry of Foreign Affairs in each ACC country.

[AL-AHRAM AL-DUWALI] Dr Hilmi Nimr, did you notice there were any obstacles at the recent summit meetings in Alexandria which interfered with the speed of the quest for integration?

[Nimr] Quite the contrary. Although the provisions of the charter permit decisions to be made unanimously, by compromise, or by a majority, all the heads of state and the prime ministers were trying very hard to see to it that all the decisions that are made are unanimous. This is because this council was founded on the basis of cordial and fraternal relations, and plans were devised and studies were conducted before its establishment was announced. That was confirmed when all the council's decisions were unanimous.

[AL-AHRAM AL-DUWALI] Now that the organizational structure of the ACC has been completed, what, in your point of view as this council's secretary, distinguishes it from other Arab councils?

[Nimr] First, this council has been distinguished since its formidable birth because the group of countries that are its members have a major, influential role in the area.

Second, this council has not leaned on slogans of any kind. It stated unequivocally that it did not contradict the charter of the Arab League.

Third, and most important, this council was founded on an economic concept. It did not start out with glittering political decrees. Material facts were taken into consideration from the very outset, and it was also understood from the very beginning that when Arab citizens have a sense that their economic problems have been solved, they will accept total political unity immediately.

The Councils Cooperate

[AL-AHRAM AL-DUWALI] Given these specific characteristics which distinguish the ACC from other councils, how can this council get together with other Arab councils and work with them?

[Nimr] I plan to visit the other Arab councils: the one in the Gulf, the council in the Arab Maghreb, and the council on economic unity. My purpose is to find out what their experiences have been; to study the pros and cons of their experiences; and to collect this information which they have.

I also plan to establish joint Arab projects with these councils, provided they are consistent with the development plan we are pursuing in the ACC.

There would be no objection to having joint projects within the four associations of countries because we are not a political alliance against any other associations of countries.

Yes to Lenient Terms; No to Abolishing Customs

[AL-AHRAM AL-DUWALI] Dr Hilmi Nimr, an announcement was made during the summit meetings in Alexandria that terms for trade between the member countries would be made more lenient without abolishing customs fees. Don't you think there is a contradiction here?

[Nimr] In the context of trade there are equal bilateral agreements which are subject to some lenient terms. We will not oppose those. Customs fees, however, will not be abolished so that no country's character would be obliterated and no country's interests would be hurt as we attempt to achieve integration. What applies to customs applies to taxes too.

[AL-AHRAM AL-DUWALI] Can you give us more details about the privileges and immunities which will be available to council members?

[Nimr] These are the same privileges and immunities which apply to diplomatic delegations. They include the council's office, the council, movable property, and the

council's correspondence. These are the things which have been determined by diplomatic conventions, and the council is subject to these conventions.

These privileges and immunities are extended to the council to allow it to proceed with its work unimpeded.

The ultimate goal of the ACC countries, and that is still in the future, is to standardize the laws. Those which are being issued now are specific and unequivocal regulations in the agreement which are not needed now. If they were, why not set up a judicial committee to discuss these laws after they are presented to the parliaments of these countries for their approval?

[AL-AHRAM AL-DUWALI] Is there a plan to issue an Arab dinar that would be used for accounting purposes to facilitate the process of importing goods from member countries in the same way that western Europe uses a dollar system for accounting purposes?

[Nimr] It is premature to talk about that. It is my opinion that this would add nothing except more complications. It seems to me that a fund in the budget or a finance fund could be set up if necessary. That would be much better.

[AL-AHRAM AL-DUWALI] Finally, how do you see your responsibility in this position, and how were you chosen?

[Nimr] I do understand that this is a difficult responsibility, and I am aware that sacrifices will be due. I am willing to do as much as I can to fulfill the task which was entrusted to me by the political leaders when they honored me and selected me for this position.

ACC Countries To Contribute \$500,000 Each to Budget

45000175 *Cairo AL-AKHBAR in Arabic 20 Jul 89 p 7*

[Text] AL-AKHBAR has learned that the countries of the Arab Cooperation Council [ACC]—Egypt, Iraq, Jordan, and the Yemen Arab Republic—have decided that each country should pay a sum of \$500,000, the value of the country's share in the treasury, which is headquartered in the Jordanian capital of Amman. Thus, the secretariat's annual budget is \$2 million.

GCC Diversification of Income Discussed

44040477b *London AL-HAWADITH in Arabic 9 Jun 89 p 57*

[Article: "Ministers of Industry in GCC Countries Decide To Convene European-Gulf Meeting; Local Industries To Be Developed To Diversify National Revenue"]

[Text] The ministers of industry in the GCC [Gulf Cooperation Council] countries took new steps in their continuing efforts to strengthen the Gulf Cooperation

Council 8 years after it was founded. At their most recent meeting in Riyadh the ministers decided to issue the executive decrees for the industrial protection law, which will be presented to the ministers of finance of the GCC countries at their next meeting. When the ministers of finance approve the financial aspect of the law, the situation will have been prepared for the application of the law which the leaders of the GCC countries had approved at their most recent meeting in Bahrain last December.

The ministers discussed the difficulties which the GCC countries have been facing since the system of collecting all customs fees went into effect. This involves the certificate of origin, and it particularly involves computing the value added. The ministers approved steps that were easier than previous ones. Firms that issue certificates of origin must have a value added index for factories which issue such certificates, and the certificates that are issued must be based on these indices. The ministers' recommendations will be presented to the ministers of finance at their next meeting. Once the financial aspect of these recommendations is approved, the recommendations will be applied and special procedures for issuing certificates of origin and exemption certificates for national products would become easier.

The ministers also decided to invite a technical committee to discuss the subject of coordinating the establishment of industrial projects in the GCC countries. This subject was endorsed by the Bahrain Summit, and decrees for its implementation were issued in Qatar, in the Sultanate of Oman, and in the United Arab Emirates.

The ministers examined the projected industrial projects plan for the next 10 years. The plan was prepared by the General Secretariat of the GCC in cooperation with the Gulf Organization for Industrial Consultations. The ministers discussed the position of the company which is being proposed to manufacture telephones in the GCC countries. It is known that there is one company in Kuwait which is licensed for that purpose. The ministers agreed to expand that company's license to make it include the entire Gulf market. They sanctioned the steps that were taken to establish the Gulf Cooperation Company for Educational Industries, which will be built in Doha, and they also sanctioned steps that were taken to establish the Gulf Company for Industrial Investment, which will be built in Bahrain with a capital of \$100 million.

The ministers agreed to hold an expanded economic meeting for industrialists from the Gulf and from Europe to talk about joint projects, the transfer of technology, and industrial cooperation between the Gulf countries and European countries. The ministers decided that the meeting would be held in Spain and that a committee from the GCC's General Secretariat be entrusted with the task of joining the Europeans to make preparations for that meeting.

The industrial sector in the Gulf is considered one of that area's important economic sectors. The GCC is trying hard to develop that sector so it can contribute to diversifying the sources of national revenue. In 1987 the GNP [gross national product] in Kuwait's conversion industries sector had its largest rate of increase, a 39.5 percent increase, from \$1.991 billion in 1986 to \$2.7779 billion in 1987. Also, the relative importance of that sector's GNP to the state's total GNP rose from 11 to 14.5 percent during the same period. Noticeable progress was also made in the GNP of the United Arab Emirates' conversion industries sector, which rose at a rate of 12.8 percent to become \$2.1531 billion. In other words, this was 9.2 percent of the state's total GNP in 1987. In 1981 that sector's contribution to the GNP was \$1.9087, or 8.9 percent of the state's GNP. In Qatar progress made by that sector was at a rate of 3.1 percent, but its contribution to the state's GNP did not exceed 10 percent in 1986 and 1987.

In the Kingdom of Saudi Arabia and in the Sultanate of Oman the GNP of the conversion industries sector declined in 1986 and 1987 at the rate of 9.8 percent. In the Kingdom of Saudi Arabia the GNP from that sector fell from \$5.3049 billion in 1986 to \$4.7843 billion in 1987. In the Sultanate of Oman that sector's GNP fell at a rate of 3.1 percent.

The petrochemical industries and the oil refining industry play a major role in the development of the industrial sector in the GCC countries. Some GCC countries are following in Kuwait's footsteps: they are using marketing centers in the industrial countries to sell their oil. These countries are exporting their oil in the form of refined oil products.

In recent years the petrochemical industry underwent noticeable development, especially in the Kingdom of Saudi Arabia, in Qatar, and in Bahrain. One of these developments has been the major success realized by SABIC [Saudi Basic Industries Corporation], which managed to achieve a high rate of efficiency in operating all the petrochemical plants which went into production in the past years. Actual production in some of these plants exceeded the plants' general capacity. In addition, this company succeeded in entering world markets despite stiff competition from others. SABIC entered world markets despite attempts which are being made, especially by the countries of the European community, to throw stumbling blocks in its way. European countries levy high fees on petrochemical products produced by SABIC.

Recently, GCC countries managed to overcome some problems and difficulties which the cement industry in the GCC countries has been facing. These problems have been the result of economic stagnation which prevailed over this industry as a result of a significant drop in the construction sector's activities.

The GCC's secretariat has been trying to devise a uniform strategy for industrial development in the GCC countries. It has been trying to devise a strategy which favors the industrialization choice and the effort to develop an industrial society in the Gulf with a sense of how important industrialization can be in the lives of nations. Members of such a society would work to acquire technical skills, and they would learn about and master modern technology in a way that would allow economic growth to continue and provide prosperity to citizens of the GCC countries.

The aim of this strategy is to set in motion 10 [as published] courses of action:

- To push for progress in industrialization on the basis of an integrative and a balanced approach.
- To increase the contribution made by the conversion industries sector to the GNP as much as possible.
- To increase the participation of the national labor force in the industrial sector.
- To make the GCC countries self-sufficient in manufactured goods.
- To create a foundation for research, for the applied sciences, and for technology.
- To integrate the oil and gas sector with other sectors of the economy, especially the industrial sector.
- To find lucrative opportunities for investing the GCC countries' surpluses and financial savings to develop the conversion industries sector.
- To develop the natural resources that are available in the area and increase the efficiency of their use in industry.
- To encourage the settlement of conversion industries in rural areas where growth is less than it is in other areas.

This strategy defined three priorities for Gulf industries which were founded to utilize and develop local natural resources. These include industries geared to foreign markets and industries, especially the food industry, which meet the Gulf market's pressing needs. The strategy determined that small and medium industries would meet the local market's needs. They would lay the technical and psychological groundwork to prepare society in the GCC countries to become industrial. At the same time, what is required to protect the environment and preserve the sources of water is to be taken into consideration.

The uniform strategy defined the standards as follows:

- Existing industries.
- New industries, especially basic industries, that would help improve opportunities for existing industries to succeed. These basic industries are associated with iron and steel, aluminum, copper, petrochemicals, and cement.
- Industries that require modern technology and capital intensive industries. The energy that is available locally is to be utilized.

- Export industries with relatively high benefits.

This is in addition to strategic industries with security implications, industries which manufacture goods that would substitute for the GCC countries' imports, and joint industries between the GCC countries.

GCC Trade With Japan, Europe Discussed

*44040477a London AL-HAWADITH in Arabic
30 Jun 89 p 47*

[Article: "GCC Countries' Trade Ministers Meet in Riyadh; Japan, Largest Importer; Europe, Largest Exporter"]

[Text] The GCC [Gulf Corporation Council] countries' ministers of trade ended their recent meeting, which was held in the council's General Secretariat in Riyadh on 10 June, by issuing a number of resolutions supporting the establishment of a common Gulf market. The ministers decided to charge the committee, which is entrusted with the task of making collective purchases, to devise a standard purchasing program for some of the basic goods purchased by citizens, like rice, for example. That experiment had succeeded in reducing the cost of goods for consumers.

Habib Qasim, Bahrain's minister of trade who presided over the current meeting, said that the ministers had charged the special technical committee with the task of setting up controls to regulate the practices of commercial agencies which are operated by citizens of the GCC countries.

There are 33 articles in the Uniform Bill for Commercial Agencies, which stipulates that only natural persons or corporate bodies who are citizens of GCC countries may operate commercial agencies. An agent must not be less than 31 years of age, and he must not have been convicted of a dishonorable or a disloyal act.

The law permitted the country in which a commercial agency is registered to stipulate that a certain percentage of the capital of a firm which is engaged in the business of a commercial agency be held by citizens of that country. The law permitted the country in which a commercial agency is registered to stipulate that the agent and the foreign company he represents work together directly with no intermediaries. The law required an agent to provide adequate spare parts on a continuing basis, and it obligated him to offer maintenance for the goods represented by his firm at an appropriate cost and for an indefinite period of time. The law required an agent to offer all warranties and to comply with the standard specifications that are sanctioned in the GCC countries. Unless an earlier representation agreement had been canceled by mutual consent, the law prohibited commercial agencies from being registered a second time under the agent's name in the register of foreign agencies.

The ministers entrusted another technical committee with the task of drafting another uniform bill to oversee and monitor insurance activities. They decided to hold a joint trade fair in Muscat in Oman next 27 December. The Gulf Summit Conference will be held there at the same time. The ministers also decided that GCC countries would participate collectively as a group in international and Islamic fairs.

The ministers also decided to study the possibility of the GCC countries joining the organization for trade talks between developing countries. They also decided to study the possibility of joining the trade agreement between Islamic countries. They decided that results of these studies would be presented to the ministers at their next meeting.

The ministers discussed the system under which GCC countries give preference to other GCC countries in trade matters. They also discussed similar systems employed by countries in large economic groups like the European market, the United States, and Japan.

Dr Sulayman al-Salim, minister of trade in the Kingdom of Saudi Arabia, talked about the importance of the efforts which are being made to support economic and trade cooperation between the GCC countries. This cooperation culminated in the Economic Declaration of the Riyadh Summit. This was a declaration about promoting close relations between citizens of the GCC countries to enable them to reap the fruits of economic development. All natural persons and corporate bodies that are citizens of GCC countries were given the opportunity to engage in economic activities in the commercial, industrial, agricultural, contracting, hospitality and other sectors of the economy.

If the commercial sector were taken as a model of the solidarity which has been accomplished among the GCC countries, we would find that solidarity represented by the liberalization of trade between the GCC countries. Citizens of GCC countries were allowed to engage in retail trade in all GCC countries; they were allowed to purchase some staples collectively as a group; and they were allowed to practice professions like legal counsel, engineering, and accounting. Liberal terms were also granted for goods in transit, and conveyances for transporting goods that are native to one Gulf country, including ships, were treated like their native counterparts. Trade systems and trade-related organizations were merged together and unified. The Saudi Arabian Authority for Specifications and Measurements was turned into a Gulf authority. In addition, priority in government purchases is given to national products and their counterparts whose country of origin is a GCC country. This helped the countries take advantage of the relative benefit gained by utilizing production capabilities in the Gulf, and it put emphasis on national business for reaping the fruits of joint action in all sectors. It put

special emphasis on the plan to impose controls on the business of commercial agencies and to allow citizens of GCC countries to own stock in those firms.

The impact of the principle of implementing the provisions of the Uniform Economic Agreement gradually was significant: it allowed reason to triumph over improvised decisions. Thus, the ministers' periodic meetings acquired a practical character. These meetings gave the ministers an opportunity to review and correct their decisions as well as an opportunity to seek solutions that would be consistent with conditions in the GCC countries. The principle of implementing the provisions of the agreement gradually gave the ministers an opportunity to satisfy citizens' aspirations, and it made their decisions consistent with the common interests of all parties.

If problems surface every now and then, they are nothing but minor kinks in an abundance of positive phenomena. Such problems are part of a healthy, normal phenomenon. They appear in the early stages of every endeavor, and they may even be helpful in bringing about the ideal situation.

Dr al-Salim asked officials in the ministries of trade in the GCC countries to understand the nature of the trade problems between the GCC countries. He asked them to work together so they can come up with practical solutions quickly in a manner that is consistent with the characteristics of the trade business.

Dr 'Abdallah al-Qawiz, assistant secretary general of the Gulf Cooperation Council for economic affairs, said, "The steps which have been achieved are considered among the most important steps leading to the establishment of a common Gulf market. And establishing a common market in the Gulf would be the first step toward establishing a common Arab market. Any common market has to have three cornerstones. Customs fees must be abolished, and that has been done. The free movement of capital must be allowed, and that was allowed even before the council was established. The only thing that remains is the question of standardizing customs fees paid by the outside world in the GCC countries." Dr al-Qawiz criticized the absence of a resolution on the subject of allowing banks in the GCC countries to open branches in other GCC countries. This is because the ministers do not want to increase the number of subjects on unity between the GCC countries which are pending in front of the GCC countries' executive agencies.

Dr al-Qawiz praised the decree which was issued to protect local industries in the GCC countries from the practice of dumping, which is practiced in the GCC countries by some countries. Crude oil is still the GCC

countries' principal commodity, making up approximately 89 percent of total exports. At the same time, the GCC countries import from the outside world most of what they need in consumer goods, capital goods, and goods used in production.

According to the divisions of the international classification of commodities, the GCC countries' most important exports are coal, lubricating materials, and similar products. These commodities occupy first place among these countries' exports. They are followed by chemicals and then by an assortment of manufactured goods. Machines and transportation equipment follow. As far as imports are concerned, machines and transportation equipment top the list of imports, representing approximately 44 percent of all imports. They are followed by manufactured goods and by an assortment of goods which make up 21 percent of all imports. Miscellaneous manufactured goods follow, and food, cattle, and chemical substances follow those.

There was a surplus in the balance of trade in 1988, but that surplus rose significantly in the first 6 months of this year. This increase is attributed to changes in world oil prices which improved during the first half of 1989 from what they were in 1988. This increase in world oil prices affected the value of exports which rose by 17 percent.

Payables in the services and remittances account, which consist of payments made to contractors, payments for shipping and insurance, remittances from foreign workers, and other expenditures for outside services, declined in most GCC countries because most of the basic outfitting and groundbreaking projects have been completed. Therefore, demand for foreign workers fell too. And yet, the decline in payables was less than the drop in foreign investment revenues. That is why the bottom line in the services and remittances account continued to show a deficit.

Japan is still the biggest market for the GCC countries' exports. It imports crude oil, oil derivatives, and petrochemicals from the GCC countries, among whom Saudi Arabia is the largest exporter to Japan. Saudi Arabia's exports to Japan amounted to approximately \$5.1 billion, or close to 26 percent of Japan's total imports from GCC countries. The United Arab Emirates is the second largest exporter to Japan, providing it with 25 percent of its imports from the GCC countries. Kuwait provides Japan with 12 percent of that country's imports from the GCC countries. But it is the countries of the European community that still hold first place as the largest exporters to the GCC countries, even though prices for European products are high. This is because exchange rates for the currencies of the European community countries are high compared with the currencies of the GCC countries. Japan is the second largest exporter to the GCC countries, and Saudi Arabia imports more from Japan than other GCC countries do. As far as the United States is concerned, the GCC countries' imports from the United States fell last year to about \$4.8 billion,

JPRS-NEA-89-054
4 August 1989

79

SOUTH ASIA

disposal Rs. 3 lakhs each to be spent on eliminating complaints about the water and sewerage services in their constituencies. If each of them were to go round in his locality and prepare a report giving an eye-witness

account, it would serve as an eye-opener to people in charge of the administration, who smugly believe that with God in Heaven, all is well with the city which is in the grip of a perpetual crisis.