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6 July 1983

NEAR EAST/SOUTH ASIA REPORT

No. 2778

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INTERNATIONAL AFFAIRS

INTERVIEW WITH GCC ASSISTANT SECRETARY

Paris AL-NAHAR AL-'ARABI WA AL-DUWALI in Arabic No 313, 28 May 83 pp 25-26

[Interview with GCC Assistant Secretary Ibrahim Hammud al-Subhi, conducted by 'Ali Hashim in Riyadh: "The Gulf Situation Is Bad and Will Have Repercussions for the Region"; date not specified]

[Text] GCC Assistant Secretary General for Political Affairs Ibrahim Hammud al-Subhi sees things in the Gulf differently from others in the region. His interpretations of issues do not coincide with those of many observers because his interpretations are based on the true state of affairs in the Gulf, the facts of which are largely inaccessible to some individuals who concern themselves with the affairs of the area.

In his office in the GCC General Secretariat Building in Riyadh, an open session on the affairs, concerns, and conflicts of the Gulf took place.

Al-Subhi acknowledges that the current situation in the region is not dangerous but stagnant. He said:

[al-Subhi] The situation is bad; we must acknowledge that. But it will not have an impact on just the GCC states alone but rather on all states of the region, including Iraq and Iran, which are also Gulf states. The reason for all this is the war--the Gulf war that began some 3 years ago.

[Question] Do you expect the war to end?

[Answer] Yes. You may find it odd, but there are certain factors that point to an end to the war.

Six-Nation Initiative

[Question] Is the Kuwaiti initiative related to this?

[Answer] You have misunderstood the matter. The Kuwaiti initiative was one of six initiatives. The initiative was a six-nation initiative taken by the member states of the GCC. Each of these states sent letters from their leaders to the leaders of the five big powers that are permanent members of the UN Security Council. This was done based on a decision of the GCC after deliberations among its leaders. Only Kuwait sent its leader's letters through a

special envoy, namely, Kuwaiti Deputy Minister of Foreign Affairs Rashid 'Abd-al-'Aziz al-Rashid. The presence of al-Rashid first in Moscow and then in London and Washington attracted a certain amount of media attention. The five other states sent their letters by private means and this took place before the announcement of al-Rashid's activity. The disclosure of the matter naturally lends importance to the six-nation Gulf effort and focuses attention on a war that has been called the "forgotten war" because the big powers that have the most influence in the world are affected by this.

[Question] But what happened after the letters were sent to the leaders of the five big powers?

[Answer] No comment, because this step will be followed by others and it is not advisable to talk about them openly.

[Question] Do you believe that the United States and the Soviet Union will agree on the halting of the war?

[Answer] This question is asked by everyone since these two states are the two most influential powers on the world scene today. Each one has particular interests and agreement is inconceivable so long as their interests do not coincide. This is unlikely in the present case. However, there are circumstances that will force an end to the war and these pertain to Iran's domestic situation rather than the outside world.

[Question] As long as this situation exists, what is the need for the Gulf initiative?

[Answer] The Gulf initiative developed because the war no longer threatened just our economy but our whole life, as well. The Gulf states can no longer remain silent. The economy is in recession and the general situation is bad. This is why the GCC made the decision to act. Contacts were made with Iraq and Iran indirectly as well as with friendly states, states of the Islamic Conference Organization, the non-aligned states, the United Nations, and finally the permanent member states of the Security Council.

The Gulf states hoped that the oil spill and the dialogue through the Gulf Environment Council would be a starting point for all sides to settle their differences and reach some degree of agreement. But this did not happen. Thus, we undertook collective action hoping we would get results.

[Question] Did the GCC get results?

[Answer] The GCC played a role that went beyond the bounds that were planned for it. However, despite the threat represented by the Gulf war, it remained confined within definite regional borders.

The GCC maintained the security and stability of its peoples. When we say that this security is the responsibility of its peoples, we mean what we say since we were able to keep the region out of international struggles and we did not join any coalitions. We secured much for the Gulf citizens so that

their interests became intertwined and the roots of these interests penetrated deeply. The Gulf citizen began to feel that he was a citizen not just of his native state but of all six states.

The GCC achieved advanced and rapid results and we hope for better results in the longterm. We are keeping house from within and we are striving to make the citizens happy and protect the area.

[Question] But there are reportedly differences among the member states.

[Answer] Over what matters, for example?

[Question] The security agreement?

[Answer] This issue has been subject to erroneous interpretations. There are no differences. The security questions were agreed upon by the responsible security organizations. A suspect in one country is a suspect in another country until his innocence is proved. No, the issue is not as some imagine, although we do not like to talk about it.

The Economy and Security

[Question] Can you clarify this question?

[Answer] Clarify what? The matter relates entirely to conformity in the fields of the economy and security. The laws must be standardized and limits must be placed on rights and duties at the level of all GCC states. Action to accomplish this naturally requires that the laws of each state and the collective laws be reconciled. As for security, there is no disagreement about it.

Then we must admit that bubbles--and negative factors--must float on the surface when anything is carried out. However, these negative factors have not blocked and will not block the course of the Gulf region. Our interests have begun to intertwine and intermesh. We are striving to deepen the citizens' interests by making them common interests through standardized legislation and laws. We cannot achieve unity from above but only from below. A large portion of this has been achieved.

While there have been small problems in terms of practices, time will eliminate these and the people will forget them. We have endeavored to strengthen our internal front and make it interlocked, and much of this has been achieved.

[Question] Does the council have a regional character as has been said?

[Answer] How can it be regional when we have named it the Arab Gulf States Cooperation Council? We did not say just the Gulf but tied it to pan-Arabism. We sometimes hesitate to undertake a certain action for reasons that could include our preoccupation at times with crucial Arab issues as well as international issues. To be clear, strengthening the structure of the Gulf also supports the Arab cause. The GCC has participated in creating a wave of political consciousness that has included all citizens of the region. The

series of events that accompanied and followed the founding of the GCC are perhaps responsible for this. The experience has been met with satisfaction on the part of the citizens of the region and others. The people in Arab North Africa are reportedly looking at our experience with admiration. Some officials there are communicating with us to ask about the positive elements in our experience. I do not say that we have established the foundations for everything. We have much to do and both the will and the determination are there.

Unified Foreign Policy

At this point, the interview with al-Subhi shifted to the various political viewpoints in the GCC, particularly in the area of foreign relations. The assistant secretary general for foreign affairs refused to launch into such a subject. His comments were just opinion and were not for the record. However, the readers should hear al-Subhi's opinions. As long as an explanation is provided, hearing or learning of these opinions can do no harm.

One opinion offered by al-Subhi is that the political viewpoints of some of the GCC states are not so much indicative of differences as they are associated with the particular characteristics that belong to each of the GCC states.

For example, do the relations between Kuwait and the Soviet Union hurt Kuwait or the GCC? The answer, of course, is "No." The GCC does not object to having an open avenue to Moscow, which is one of the two great capitals in the world.

On the other hand, have American-Omani relations harmed the GCC? The answer is, "No." The characteristics and circumstances of the Sultanate of Oman have led it to adopt a certain international political direction. The sultanate has endured difficult circumstances and felt for a time that it was semi-isolated. The Soviet subdual of Afghanistan and the proximity to the Gulf increased its fears. The agreement to provide facilities which raised such a big uproar at the time has become less important with time and it has become evident that the reaction to the agreement was incorrect. Through the GCC, a meeting between the Omanis and the South Yemenis took place. And while they have not ended all the disagreements among themselves, they have at least met together, held a dialogue, and ended a long period of so-called hostility. Understanding of the Omani characteristics and the Omani policy has increased and the isolation has ceased. The Gulf consensus was that this was imposed by circumstances and strategy and was only for the good of the area and in its interests.

Then there are the distinctive relations between the UAE and Libya. All these relations and political viewpoints work toward one end, namely, the welfare of the GCC states. In every case, they can be employed for the higher Gulf welfare.

Border Disputes

Al-Subhi scoffed at discussing the border disputes among the GCC states. He said that they are temporary disputes and the day will come when each state will become convinced that the other states support it. Then borders will become formalities and disputes over borders will have no importance.

And what next?

The priorities in al-Subhi's mind are economic issues. These are being settled gradually in spite of the local, Arab, and security issues that arise day after day. However, security and stability remain the foundation. This has been achieved by divorcing the area from international struggles and by tireless effort to provide the deterrent force to protect the security and the stability.

When asked again about the possibility of ending the Gulf war, al-Subhi replied that internal conditions in Iran will force whoever is responsible there to accept a halt to the war and agree to negotiate.

Al-Subhi is optimistic. Anyone who visits the headquarters of the GCC secretariat and becomes intimately acquainted with its activities will feel that this optimism may be appropriate.

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HISTORY, POLITICIANS' MEMOIRS DISCUSSED AS TOOLS FOR SHAPING FUTURE

Cairo UKTUBAR in Arabic No 237, 10 Apr 83 p 13

[Weekly Column by Ihsan 'Abd-al-Qaddus: "The Coffee House on Politics Street"]

[Text] The young man laughed and said, "I admit that old people have scored a victory over young people. We were always trying to draw old people into our world; what happened, however, is that we are now living in the world of old people."

There was a broad smile on the old man's face as he said, "What is it that makes you feel you are living in the world of old people?"

The young man said as his laughter echoed, "My new hobby. I am reading everything that is being written and published about the political past. Most of the books that are being published and those that have the greatest circulation are those that chronicle the past, that is, recent political history. This is especially true of memoirs. Even newspapers are competing with each other now for memoirs they can publish. It's as though they were trying to increase circulation and tempt readers with the fare they have on their pages. I now find a great deal of pleasure in reading about the past. It's as though I were learning more and expanding my education. At the same time reading about the political status quo is no longer attractive to me, nor does it provide me with more information than I already know without reading about it. Therefore, I now live in the past as old people do, and I do not live in the future which grows out of the status quo. As a young man this is what I should be doing."

The old man calmly said, "Reading about the past will make you understand the present and accordingly build the future. When you read, you do not read to insulate yourself from your youth and live in the world of old people, but you read to benefit from the experience of old people in building the world of young people."

The young man spoke jeeringly, "These are no longer my feelings or aspirations when I read about the past. My only feelings are those of escaping from the present and from the future to live in the past or to bury myself in it. This may be the case because the material world in which we're living no longer has anything that prods us to build the future. Nor does the material world in which we live stir up in us the desire to look for a new idea, a new opinion or a new image. It is a material world that leaves us no alternative to that of submitting to the

will of God. In fact, when I read about the past, I feel as though I were still a small child dreaming one day of achieving power. In order to make his dreams come to life that child wastes all his time watching western movies that depict aspects of the cowboys' power which were instrumental in building the United States. But no sooner does the movie end and the child emerge from the theater than he finds himself a small weak child again. So he rushes back into the theater even if he had to run away from school to do so."

Smiling with pity at the young man the old man said, "Reading what is being published about the recent political past is attractive not only to young people, but also to old people. None of us--[young and old]--can know and understand the details of the present until it becomes the past. This is because the traditions of the government under which we live prohibit people from experiencing all the particulars of the present material world. In fact, these traditions even prohibit the free expression of opinion if that infringes upon the present material world. The free expression of one's opinion about the present material world is prohibited until it becomes the past. Then all the particulars and secrets of that material world can be publicized. Also a writer who writes about the past has more freedom to express his opinion than one who writes about the present. It is for this reason that we got to know 'Abd-al-Nasir after his death as we had never known him when he was living. The same is true with Anwar al-Sadat. Even Muhammad Najib--and we had forgotten that he was the first president of Egypt after the Revolution--became known to us along with strange secrets about his term in office after he became part of the past, even though he is still living. May God prolong his life."

The young man said with sorrow, "Despite my addiction to reading what is being published about recent political history, I still feel deprived. Many of the memoirs by Egyptians of some stature in that history are being published abroad in newspapers and books and are not reaching Egyptian readers, even though it is the Egyptian reader who deserves to read these memoirs the most. In fact, these memoirs would be worthless unless Egyptian readers have access to them. They would help Egyptians complete their education and the political mind set with which they would build the future."

The old man spoke indifferently, "The author of memoirs finds more freedom in publishing outside his country: not only the freedom to publish, but also the freedom to shape the events he experienced, even if the memoirs contain numerous allegations. By publishing his memoirs abroad an author is guaranteed that no one will refute or challenge such allegations, if any are made. Moreover, publishers in a foreign country are quite free to publish anything that affects another country. Publishers in Egypt, for example, are free to publish the memoirs of Libyans or Syrians, but they do not have the same freedom regarding the publication of memoirs by Egyptians. There is another incentive for publishing memoirs abroad: the large sums of money paid by foreign publishers to the authors of memoirs. No Egyptian publishing house can pay these amounts of money."

Still sorrowful, the young man said, "There are strong Egyptian figures whose strength of character is not in any doubt, but despite that they publish abroad when they publish their memoirs. Why did Mahmud Riyadh, former president of the Arab League publish his memoirs abroad? Why did Muhammad Ibrahim Kamil, the minister of foreign affairs who resigned 1 day before the Camp David treaty was

signed, publish his memoirs abroad? Why do they deny me [the experience] of reliving the past with them so I can use that experience to help me understand the present?"

The old man spoke calmly, "It may be because people who were responsible for the past are still with us. Authors who publish abroad deliberately avoid confronting these figures, or they deliberately mitigate the confrontation these figures would have with the people. Therefore, they content themselves with publishing abroad."

The young man sighed as though admitting his ignorance and said, "At any rate I discovered that not only do I need to understand the past since the outbreak of the Revolution, but I also need to understand the past before the Revolution. I recently read the memoirs of Hasan Pasha Yusuf who was deputy chief of the Royal Cabinet when Faruq was king. As I read the memoirs, [I felt] as though I were discovering a strange and a new world. Perhaps the strangest thing in the book was the fact that I read no defamatory remarks about the king. In fact the author of the memoirs took pains to show respect for the king whom he had served, even though he did mention the king's mistakes and weaknesses in passing. In other words there is freedom today to publish the past even if an author dared to show respect for Faruq!"

The old man said as though he had remembered something, "I read those memoirs. They made me hope for something that has not yet materialized. I am hoping for the publication of the secrets of the history of the iron guard, which Faruq had established as a secret organization to resist the British and his opposition. This is the organization that planned the assassination of Amin 'Uthman and tried to assassinate Mustafa al-Nahhas. Nothing about that organization has been published to date. Anwar al-Sadat had worked with that organization with the consent of the Free Officers' organization as he said in his memoirs."

The old man paused as though to catch his breath and then went on to say, "As long as we are beginning to open doors, I am hoping that corrections will be incorporated into history textbooks that shape the minds of school children, beginning with the elementary school. When we were children, we were taught that all the kings of Egypt were geniuses who had realized glory for Egypt. We were taught that 'Urabi was a stupid rebel who only wanted a salary increase, and we were taught that Mustafa Kamil was a Turkish agent. We were taught all this simply because Egypt was still being ruled by kings. This was the reason why we lived in submission for many years until we became aware of the truth and achieved the revolution. Today we do not want the new generations to spend all this time living in submission. In fact, we do not want them to get to the stage of needing a revolution. Instead, we want them to experience all the particulars of the present material world by letting them know and understand all the particulars of recent history so they can be guided to a happy future. Let us pray for that."

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AL-QADHDHAFI DISCUSSES WOMEN'S RIGHTS, OIL-PRICE DECLINE

Stockholm DAGENS NYHETER in Swedish 15 May 83 p 33

[Article by Berit Hard: "I Am a Soft and Sensitive Person"]

[Text] "What is happening in Moslem countries is the oppression of women, which is against the Koran's spirit."

This is aid by the disputed Libyan leader Mu'ammar Qadhdhaf in an exclusive interview.

"Women are kept indoors and are locked in. This does not happen because of the Koran but because of men's peronsl reasons. Men act in this way even if they do not believe in the Koran at all. They refer to the Koran only when it is a question of women."

"The Koran is meant for all people, regardless of sex. There are also certain instructions for women, but the Koran never asks someone else to force women to follow these rules and orders. It orders women's own responsibility," he says.

In Libya women, at least the younger ones, have thrown away the veil. Almost half of the university students are girls. Girls are also getting education in the military field and they do their military service in the militia. The Libyan TV shows every now and then, with recruiting purposes in mind, pictures of girls who are getting their education in the army. They are girls wearing pants, running, throwing themselves on the ground and shooting. This is something completely unthinkable for women, for instance, in Saudi Arabia.

Al-Qadhdhafi also has girls as bodyguards, and he explains it as follows:

"They have applied voluntarily. The girls are more visible, but there are also guys," he assures.

Moves Constantly

When Mu'ammar Al-Qadhdhafi receives an interviewer, it takes place in a school in Benghazi, one of the places which every now and then will be Al-Qadhdhafi's residence. He moves constantly to different places.

Qadhdhafi was right now in Benghazi because of Libya's first international conference on his Green Book. The conference, which ended during the past few days, was to spread information about the book internationally. Approximately 1,000 scientists and representatives of political organizations had been invited.

Moammar Al-Qadhdhafi himself followed the entire conference, sometimes by his TV, sometimes in the university in Benghazi. And he himself made a 3 1/2 hour long speech.

Al-Qadhdhafi is dressed in a khaki outfit and has a yellow cloak over his shoulders. At first glance, his room does not seem to be especially well-guarded, with an entrance almost directly from the garden. But the room does not have any windows at all. There is a big desk with six telephones in the room. The lighting is dim. Qadhdhafi also talks with a low voice when it is a question of the oil market.

"The price decline on the oil market causes problems for Libya", says Al-Qadhdhafi.

Libya's economy has been heavily affected. Some projects have already been interrupted. And when Prime Minister Jalloud visited the USSR in February to wrap up arms deliveries, this was the first time he purchased on credit.

Solely the decline in oil prices after the latest OPEC meeting in London 6 weeks ago caused Libya a loss of almost 2 billion dollars. Furthermore, there is also a decrease in production quotas and inflation in Europe. Then there will also be a reduction in oil revenue, which is 20 percent at its lowest and near 60 percent at its highest during a 3-year period.

Therefore, is OPEC still a useful organization, despite the fact that Saudi Arabia's dominance has resulted in worsening conditions for Libya?

"OPEC is still a useful organization for the oil-producing countries. There should be similar organizations for countries producing other important raw materials. The majority of these countries belong to Third World and are exploited by the industrialized countries," says Al-Qadhdhafi.

Few Dominate

"But all international organizations are dominated by only a few. This is true about the Security Council and it is true about OPEC. OPEC is dominated by countries which produce more and have bigger reserves."

"Members in international organizations should be equal. Otherwise, we who are dominated must give up our memberships and let those dominating dominate each other. This could mean that all the small countries would withdraw from the United Nations, the union of the non-allied countries and OPEC. If we do so, the dominating countries become isolated--and then, they will become losers", says Al-Qadhdhafi.

Has he considered withdrawing from OPEC?

"I would not hesitate to do it the day the dominance problem becomes evident and OPEC of no use."

All over in Benghazi, new living quarters are being built. A center for handicapped people providing vocational education has been recently opened and it is ready to accommodate 1,000 new students. It has the highest Swedish standards and has been built by Skanska Cementgjuteriet. It has cost the Libyan Government 45 million dollars.

Around Benghazi there are large areas with artificially irrigated agriculture. The money from oil has provided Libya with rapid development. But how is it going to be now, especially if the bad trend on the oil market continues?

"Of course we have to see beyond our plans. Perhaps we will be forced to give up some projects, especially those carried out by foreign companies. Europe will be the first loser. If we have to make cutbacks in our plans, European companies will lose big investments," stresses Al-Qadhdhafi. He characterizes that situation as follows:

"Very possible, very likely."

Libya, A Tourist Country?

A further decline on the oil markets can also lead to other changes in Libya. It might be forced to become a tourist country. Libya has a coast line along the Mediterranean and many monuments from ancient cultures which can compete very well with those in Greece and Egypt. But Libya does not have a single tourist. In general, Libya is considered a closed country. Is this for security reasons?

"It does not have anything to do with security. Tourism has not had any role in our revenues, and therefore, we have not invested in it. But it is not forbidden to come here," says Al-Qadhdhafi.

"Need creates tourism. This can be seen in other countries. Libya has its oil and does not need tourism. But if the U.S.A. puts us in a difficult economic situation, Libya can become a big tourist country. We have 2,000 kilometers of coast line along the Mediterranean. If Libya is forced to acquire other income sources, then it could be tourism. Bad things can bring along something good."

Who is he then, this debated man who always maintains that he is not a head of state, that he does not belong to any government, but who, however, always seems to be a powerful threat in the world, strong, capricious, inconsiderate and militant?

"This picture is not true. It is created by hostile, imperialistic and Zionist propaganda," thinks Al-Qadhdhafi.

Does he mean that he sees himself as a soft and friendly, perhaps sensitive person?

"Yes, I think so," he answers quickly.

Al-Qadhdhafi is a Bedouin, born and grown up in the desert. His father is still living there, and Al-Qadhdhafi visits him as often as he can. Al-Qadhdhafi tells a little bit about his childhood:

Bedouin Family

"It is important to realize that I have never gone to a regular school in a traditional sense, a school with teachers and classrooms. I learned from my family among the Bedouins. I got my education through popular tales and by living among the Bedouins, instead of getting it from books. And the Bedouin life is very tough in its nature, including big exertions.

Did he dream about something during that time--about some kind of an improvement?

"Of course, it was such a strenuous life. Therefore, I developed a love for some kind of an alternative. The environment one lives in as a Bedouin, a life in freedom just between the sky and the earth, develops one's thoughts and imagination. It is the background to my longing and search for a world like our Yamahiriya. (Yamahiriya means "the masses" and designates the Libyan state). I am looking for a world without obstacles, without pressure, without any chains. The life in the desert is lived together. People like each other and need each other.

Thus, it is his childhood experiences that have made Al-Qadhdhafi interested in politics?

"I have never been interested in politics. Not even now. I am not a politician. I am a revolutionary," he says. But he also sees himself as a teacher and prophet of his Yamahiriya ideology.

Al-Qadhdhafi's official name is the Leader. Would it not then be useful for him to go around incognito and listen to what people think about Yamahiriya?

Belief in Representation

"It would have been important only if it had been I who directed people's future, if I had been the people's representative. Then I would have been forced to find out what people really wanted. But since I do not believe in representation, I do not consider it democratic, I let the masses decide themselves. They express their wishes and decide on their needs," says Al-Qadhdhafi. But he also emphasizes that this does not mean that he would not like to go incognito, and every now and then he even tries to do that.

But how about if this is not successful, if the decisions made in Yamahiriya are not right, who is ultimately responsible?

"Nobody can intervene and maintain that he understands better than people themselves. If there are mistakes, then people have to make sure that everything will be fine again. They are their own supervisors," he points out.

"This is in the Green Book," he reminds and hints that the attention during this 3 1/2 hour speech on his so-called third alternative had not been satisfactory. In that speech he also warned Europe about the U.S.A. Europe is the U.S.A's sacrificial lamb, he claimed, and referred to the Greens in Germany as an eventual rescue for Europe. And he finished his long declaration with these words:

"All great prophets have come from the Middle East. So did Mohammed. So did Jesus Christ."

12190

CSO: 3650/190

FEDERATION WITH POLISARIO REJECTED

London AL-DUSTUR in Arabic No 285, 9 May 83 pp 20-22

Article: "The Mauritanian Position Concerning the Western Sahara Crisis: Rejection of a Federation With POLISARIO"

Text Projects to civilize the population will head off efforts by POLISARIO to get new groups of nomads to join it.

Lately there have been a number of attempts by Mauritania to catch the Greater Arab Maghrib North Africa train which has been slowly moving forward during the last few months. Both Rabat and Algiers have received envoys from Khouna Ould Haidalla who went there to sound matters out and to find out what prospects there were on the horizons of the future. Apparently the Mauritaniens are not only preoccupied with the rapprochement that is taking place between the nations of Arab North Africa, but are also preoccupied about the possible solution which has been proposed for solving the Western Sahara conflict. The envoys of the Mauritanian president who went to Algiers and Rabat brought along a definite question concerning the future of Western Sahara, and consequently POLISARIO, within the framework of new relations between Morocco and Algeria. Whatever answers were given to this question and whatever the circumstances and joint formula will be for solving the Western Sahara conflict, Mauritania is one of the parties concerned and will be influenced by future circumstances in the Sahara region--perhaps more than any of the other nations. This is true, first of all, because of Mauritania's internal circumstances and because its economy is linked to the future of Western Sahara. It is also true because of the basic changes to Mauritania's political structure which could take place as a result of any possible solution to the Western Sahara problem, especially since people in various places are talking about the possibility of establishing a type of federation between POLISARIO and Mauritania, with Morocco keeping the Saguia el-Hamra and Oued ed-Dahab areas.

Mauritania's domestic situation is such that the nation appears to be completely unprepared for any political change in the area, and Mauritania's domestic affairs are being conducted as if what is going on Outside Mauritania does not concern Mauritania, in spite of the fact that it is well known that the Western Sahara conflict is directly affecting Mauritania's internal situation. President Khouna Ould Haidalla, whose authority was consolidated after the failure of the recent attempted coup d'etat of

16 March 1981, began establishing his own party which, in spite of everything, has enjoyed a large-scale response among the citizens of Mauritania. Not even Mauritania's high degree of illiteracy and the tribal and pastoral nature of the country have been a barrier to the increasing popularity of this party. The principal reason for this is that Khouna Ould Haidalla's party, called "SEM" [Structures for the Education of the Masses], is neither a party, nor a bloc, nor even a collection of popular committees. SEM is tantamount to being a "political tribe" which is spreading all over Mauritania. This description of the party is no exaggeration because even the official and administrative authorities themselves do not fear having their party described in this manner and quite often they themselves describe it in these terms. The reason for this is that the Mauritanian president's basic idea is to transform the numerous and various Mauritanian tribes, which sometimes fight each other, into one single large tribe whose chief will be the head of CMSN [The Military Committee for National Salvation], which is the country's ruling body. Everything in the new party suggests a tribal structure. It is organized from bottom to top in the following manner: Each cell has ten families, each area has ten cells, each region has ten areas, each province has ten regions, etc. This "tribal" system which characterizes Mauritania's new political organization has penetrated to all areas of the country, and there are both economic and social reasons why this has happened. The new party is the government party, and consequently its material and social attraction is great, especially since the objectives of this political organization are to civilize Mauritania's inhabitants and create settlements for them as an initial step in the process of eliminating their pastoral, nomadic, and non-sedentary way of life. The government is giving those who join the new party the resources necessary to settle in fixed areas. The drought which Mauritania has been suffering from for the last 3 years has encouraged people to join SEM. Because of this drought groups of people have migrated from north to south, in the direction of the banks of the Senegal River, where there are pastures to be found. Also, some of the nomadic tribes from the northern part of Mali, the southern part of Algeria, and [Western] Sahara have split up. Some of them have gone to the outskirts of Tindouf where they are receiving the aid that POLISARIO is getting, and others have gone to the Atlantic coastline and the banks of the Senegal River in the hopes of finding fertile pastures and living in the settled areas where one can work in the mines that have recently started to be worked again after they had closed down because of the Western Sahara war. As a result of this movement of population from north to south and from the desert areas to land where, in spite of the drought, some types of grass are still growing, the Mauritanian authorities have set up urban settlements and promoted their "great tribal party." The government's political aims are to gradually eliminate the nomadic way of life and moving around, according to where pastures are available, and to eliminate Mauritanian society's old tribal structure since this type of tribal structure is not one which is in keeping with possibilities of developing the country and development programs. As we know, Mauritania is composed of both pastoral and sedentary tribes which are governed by customs which partially go back to the time of the Islamic conquests and cannot be judged according to modern social criteria. In addition to the hierarchical type organization within a given tribe there is also another type of hierarchical organization within society

as a whole. The "White Moors" [bidan], or "Hassanis," occupy [the top position in Mauritanian society]. The origins of the Hassanis go back to the Arabs who brought Islam to North Africa. Those just under the Hassanis in the hierarchy are the class of craftsmen and merchants, and below them in the hierarchy there are various groups of black people [Tabid]. Even today in some areas where Mauritania borders on Black Africa the White Moors are called "masters," and some tribes still practice the custom of owning slaves, in spite of the decree by SEM which prohibited the buying and selling of slaves. Mauritanian society consists of a mixture of the White Moors and black people who have assimilated and become citizens and owners of land. During the administration of Moukhtar Ould Daddah various extremist national political movements and other movements began demanding equality. Today there is a political movement which calls itself "El Hor" and is active among the black people. Actually, Mauritania has only just survived interference on the part of some other nations in its internal affairs. One nation which was especially guilty of this was Senegal, during the administration of President Senghor, when it did this under the pretext of providing protection for the black people who actually had already become assimilated and begun to speak the language of the other Mauritans--that is, the Hassaniyah Arabic dialect which is close to the literary Arabic language. Apparently the objective of the new Mauritanian party is to eliminate this discrimination and establish a united regime, but it is to be a regime in the form of a Mauritanian tribe as far as its internal structure is concerned. Both the Mauritanian tribes and SEM rely on the mass gathering which is called the "mi'ad" [rendezvous], which is tantamount to being a public meeting of the members of a tribe held for the purpose of discussing and making decisions concerning problems which come up. It is perhaps no accident that Mauritania is endeavoring to establish this new type of organization and to establish the structures for civilizing its inhabitants at the same time that Algeria has begun this process in the southern part of Algeria. The Algerians are pursuing this policy particularly with the Tuareg tribes (the historical origins of which go back to Tariq ibn Ziyad), which are nomadic tribes that move to and fro from Libya, Mali, and the southern part of Algeria. The Algerian authorities have recently adopted several measures to establish populated settlements in the Sahara Desert in order to eliminate the nomadic way of life. They did this after Col al-Qadhdhafi began various types of activity among the Tuareg tribes in order to exploit them and induce some of them to form movements such as the POLISARIO movement. The same situation has been true with the tribes in the northern part of Mali where meddling by Col al-Qadhdhafi among these tribes has begun to create a crisis of sorts between Libya and Mali.

The question which must be asked at this point is the following: Are the efforts being made simultaneously by Algeria and Mauritania which have the objective of achieving economic growth and development also aimed at preventing POLISARIO from acquiring new recruits in its ranks in view of the fact that POLISARIO is now persona non grata in North Africa? There are numerous indications which confirm the fact that one of the objectives of these efforts to civilize and settle these populations is to head off efforts by POLISARIO to get new groups of nomads to join it. After the meeting between King Hassan and President Chadli Bendjedid, and the improvement in relations

between Morocco and Algeria, considerable numbers of the inhabitants of Western Sahara who had left Western Sahara during the war began to return either to Western Sahara or to regions nearby. The camps are gradually becoming empty and they may turn into camps providing shelter for victims of the drought. Furthermore, although relations between Mauritania and POLISARIO were close ones until recently, these relations have now begun to be characterized by tension after SEM said that Mauritania refuses to officially recognize POLISARIO--in spite of the tribal relations between some of the leaders of POLISARIO and some of the people who belong to SEM, which is the ruling body in Mauritania. Recently instructions have been sent from Nouakchott to officials in the northern areas of Mauritania not to show any good will toward the members of POLISARIO.

Right now Mauritania certainly rejects any type of proposal which favors the possibility of merging POLISARIO into Mauritania. After relations between Algeria and Morocco improved, certain circles did bring up the subject of the future of POLISARIO. Some of these people said that POLISARIO is finished because Morocco has signed the Algerian-Tunisian Carthage Treaty which provides Algeria with a legal justification for expelling POLISARIO from Algerian territory on the grounds that POLISARIO is an organization which commits hostile acts against one of the countries which has signed the treaty. There are other people who have proposed the creation of a Mauritanian-Western Sahara federation which would include the portion of Western Sahara which Mauritania used to occupy and that this would enable POLISARIO to participate in this federation. Still others have proposed that all refugees return to their homeland in Western Sahara--including the POLISARIO leaders--and that they should then be allowed to occupy some positions and posts of responsibility within the framework of Moroccan sovereignty over the Sahara region. But Moroccan and Algerian circles have objected to proposals such as these and Mauritania has fundamentally rejected the idea of a federation because it would necessarily create new internal circumstances in Mauritania which Mauritania might not prove able to exercise control over in the future.

It appears that the ideal solution which circumstances are moving in the direction of, in view of the inevitability of the results of events that are taking place, is that of a gradual termination of POLISARIO without it being necessary to take any serious decisions regarding POLISARIO. Military supplies have been cut off from POLISARIO, POLISARIO is not being allowed to acquire new recruits in its ranks, POLISARIO is being besieged in its camps at Tindouf, and POLISARIO leaders inside Algeria have been placed in protective custody. All of these measures are ones which are serving to gradually diminish POLISARIO and put an end to its role in the area. These measures are actually being put into effect right now, both Mauritania and Algeria are jointly carrying them out, and at the same time Morocco is content to open up the door and allow any refugees who wish to return to Western Sahara or to Morocco. These measures in fact have begun to have significant results since POLISARIO's voice is no longer heard in the Algerian media and since POLISARIO's leaders have been transformed into being merely refugees. At the same time, many of the inhabitants of the camps at Tindouf have begun to go back to Western Sahara or to Mauritania.

For these reasons the Organization of African Unity conference expected to be held next month will not delve into the Western Sahara issue. This time the OAU conference will only discuss the issue of how to keep the OAU from collapsing and coming to an end--as has nearly happened during the last three summit conferences held at Tripoli.

One could also say that another of these circumstances is the hesitant and unenthusiastic position which Mauritania has taken with regard to joining in the process of improvement of relations with Morocco and the fact that Mauritania is content to put its own house in order to be ready for future events. It appears that President Khouna Ould Haidalla is acting within the framework of the general policy agreed upon between Algeria and Morocco. This policy is that Mauritania, for the time being, maintain its position of being cautious, continue the dialogue, and continue to improve its relations. Rabat has reassured the Mauritanian envoys that Morocco did not intend to do anything to harm Mauritania--something about which some people had initially been apprehensive. This, for a short while, induced the Mauritanian authorities to become enthusiastic about the idea of having a federation with POLISARIO in order to provide a safety valve for Morocco. But later on, after the scattering of the fog of misunderstanding between Nouakchott and Rabat, Mauritania proceeded to become engrossed in putting its own internal situation in order in order to be able to face the future with security and Mauritania proceeded to establish SEM as a means of solving the problem that Mauritania has with its own population.

Mauritania, by means of improving its relations with the nations of Arab North Africa, is attempting to eliminate some of the foreign economic pressures which it feels. These pressures might greatly intensify if Mauritania either agreed to, or called for, the establishment of a federation with POLISARIO. Not only would such a federation pose internal dangers for Mauritania and create tense relations with Morocco and possibly also with Algeria, but such a federation would also not be something which would guarantee economic aid to a country which needs economic aid for its economic development. Since the overthrow of the regime of Moukhtar Ould Daddah, Mauritania's foreign aid and investments have mostly been investments made by the Arab nations. For this reason Mauritania must make sure that it does not become a hotbed of conflict which will poison the region, but rather a peaceful place where foreign investments can be safe and sound. This means that Mauritania cannot maintain relations of any sort with POLISARIO. It also means the likelihood of Mauritania establishing close relations with Morocco, especially since Morocco's influence in the Arab world has been steadily increasing ever since the Arab summit conference in Fes. The Arab investments, which basically are concentrated in the sectors of mining, fishing, and agriculture, have become vital to Mauritania if Khouna Ould Haidalla wants to be able to implement his economic, social, and demographic reform program. These investments are being made in particular by Saudi Arabia, Kuwait, Iraq, Abu Dhabi and Libya. The project for revitalization of the Senegal River regions alone involves enormous Arab financing--\$150 million from Saudi Arabia, \$100 million from Kuwait, \$70 million from Abu Dhabi, and \$40 million from Iraq. The only thing which Libya is helping to

finance is the exploitation of the copper mines in Akjoujt via a joint-stock company which it owns together with Iraq (called "Arimco"). This is a very small contribution, especially when compared with the contribution made by the other Arab and foreign nations. Nevertheless, the pressure which Libya exerts on Mauritanian policy is nothing to sneeze at. The reason for this is that Libya has chosen the policy of "political investments" instead of economic investments. As we know, Libya's position with regard to POLISARIO is the same and Libya still gives important material and political support to POLISARIO, although lately this support has been limited and weak. Libya is therefore endeavoring to utilize Mauritania as a bridge across which to provide indirect support to POLISARIO and is not discounting the possibility of making peace with Morocco in the future. Apparently the Mauritaniens, in the final analysis, have chosen to disregard Libyan pressure, to treat economic investment as being of more importance, and to adopt a position which is in conformity with the interests of Mauritania--while simultaneously reassuring Libya by saying that the new Mauritanian party "resembles" Col al-Qadhafi's people's committees.

In any case, Mauritania's leaning in the direction of Arab North Africa, within the framework of new relations, is a policy which apparently is moving along in a well-balanced manner as the influence and presence of POLISARIO in the region is gradually disappearing. The hope is that this policy, for Mauritania, will ward off any possible complications or danger of a hasty solution to the Western Sahara problem being arrived at.

9468

CSO: 4504/375

CEUTA AND MELILLA ISSUE LINKED TO SOLUTION OF SAHARA PROBLEM

London AL-DUSTUR in Arabic No 285, 9 May 83 p 21

Article: "The Return of Ceuta and Melilla Might Solve the Sahara Problem"

Text It could be that Spain has the key to the solution to one of the most complicated and thorniest problems of the African continent--the Western Sahara issue. In the past, POLISARIO, with Algerian support, has fought against Morocco's annexation of the Sahara territories and the conflict between the parties involved escalated to the point where it threatened the coherence and even the existence of the OAU. It is in this context that one must see Col al-Qadhdhafi's visit to Nigeria. Col al-Qadhdhafi's primary motive for the visit is to have talks with the Nigerian leaders concerning this subject before the African summit conference which will be next June.

Although last February King Hassan of Morocco and President Bendjedid of Algeria met and reached an agreement after the two countries had been diplomatically estranged from each other ever since 1975, King Hassan is still basically maintaining his position of non-recognition of POLISARIO. Algeria has taken a position which implies that the restoration of full diplomatic relations between it and Morocco depend on solving the Sahara problem. So the POLISARIO issue remains the basic problem involved in the agreement made between the two nations, and one of the provisions of the agreement calls for the holding of a plebiscite among the inhabitants of Western Sahara in order that they may determine their own future. This is in accordance with the text of a resolution made by the OAU in 1981. King Hassan has insisted on not recognizing POLISARIO--an organization which he considers to be a front representing Algerian interests. This position of his is supported by the interpretation given by Moroccan authorities to the effect that the term "disputing parties," which was mentioned in the OAU resolution, refers specifically and only to Morocco and Algeria!

In this connection Abdelhamid Brahimi, the Algerian minister of the economy, last week during his visit to the French capital stated that his nation is paving the way only for the creation of consolidation of contacts between POLISARIO and Morocco. Observers are of the opinion that the status of POLISARIO will not be determined until the parties involved reach a settlement concerning self-rule for the Western Sahara area. This is precisely the type of situation in which Spain could play a significant role.

Morocco is calling for Ceuta and Melilla, which are located on Morocco's northern coastline, to be returned to Morocco. Felipe González, the prime minister of Spain, rejected the last appeal made to him by the Moroccan authorities concerning Spain returning these areas to Morocco. However, he added at the same time that he did not wish to see this issue transformed into a source of confrontation between his country and Morocco. but things did change within a month after the statement made by Prime Minister González. This change occurred when he held a private meeting with King Hassan. Observers consider it likely that the two men during the meeting discussed proposals to gradually return Ceuta and Malilla to Morocco. If this occurs, the expectation is that Melilla will be the first of the two locations to be returned to Morocco. It is expected that the issue of Ceuta, which is located directly across from Gibraltar, will be reviewed after a settlement of the problem of Gibraltar which is pending between Spain and Great Britain.

In this regard, western sources point out that, if Spain withdraws from Ceuta and Mililla and they are turned over to Morocco, this will guarantee domestic support for the position taken by King Hassan if he decides to take a new stance with regard to POLISARIO and the entire situation in Western Sahara. Spain is hoping that, in return for handing back Ceuta and Mililla, its withdrawal from these two areas will be compensated by economic gains. When González visited Morocco, he and the king of Morocco discussed guidelines for economic cooperation between Morocco and Spain. A few days before Prime Minister González visited Morocco, the deputy prime minister of Spain, Alfonso Guerra, held similar discussions in Algeria. During this visit the Spanish deputy prime minister held a meeting with Ould El Salek, the man who is in charge of POLISARIO's foreign relations. The Algerian authorities let it be known to the Spanish deputy prime minister that Algeria still feels that the independence of Western Sahara is a responsibility which Spain shirked and whose implementation it avoided when Spain was ruled by Franco. This is a fact which the Spaniards now must inevitably recognize.

With the recent improvement in relations between Spain and France, we see the Spanish government also supporting President Mitterrand's idea of consolidating cooperation between the nation and the Western Mediterranean area. However, this cooperation depends on reaching an agreement concerning the Sahara issue. Trade between France and Algeria increased from 18 billion francs in 1980 to 40 billion francs in 1982. In this regard, the French position is similar to the position taken by the Algerian government. Mr Brahimi stated that he was in Paris for the purpose of holding talks with President Mitterrand in order to discuss long-term cooperation between Algeria and France. He added that this was linked to the achievement of an overall settlement for the Western Sahara issue and that Mitterrand's France, if it wants to realize the dream of cooperation between the nations of the Western Mediterranean area, must endeavor to convince Morocco to come to the negotiating table. But in order to do this France needs to call upon Spain. Will Spain respond and undertake the role it will be asked to play?

9468

CSO: 4504/375

AGREEMENT REACHED WITH FRANCE ON DEBTS

Paris AN-NAHAR ARAB REPORT & MEMO in English No 22, 30 May 83 p 2

[Article by Randa Takieddine]

[Text]

France and Iraq have agreed on a package of measures to settle some \$2 billion worth of Iraqi debts to France for arms deliveries, for work undertaken by French contractors and for exports of non-military goods. No details of the agreement have been revealed officially, but a well informed French source indicated to this newsletter that it entails purchases of up to 3 million tonnes of crude oil, either from Iraq itself or from another Gulf country on Iraq's account, a relatively small amount of cash and credit terms for what had originally been cash and carry deals.

However, the French newspaper *Le Monde* quoted informed sources as saying that France had agreed to buy as much as 4 million tonnes of crude from Iraq over the next year.

It has taken five months of tough negotiations to settle the issue and the finishing touches to the agreement were applied last week during a two-day visit to Paris by Iraq's Foreign Minister Tarek Aziz. What made the talks so difficult is that France does not need the extra crude oil being offered in settlement of debts that are thought to amount to FF 17 billion (about \$2.3 billion). The source put Iraq's military debts at FF 8 billion (about \$1.1 billion) and said non-military suppliers and contractors

were owed about FF 9 billion (\$1.21 billion). According to the source, Iraq's non-military suppliers in France will receive FF 2.5 billion (\$336 million) in cash and the remainder will be rescheduled.

The military supplies from France which have enabled Iraq to sustain its war effort against Iran in recent months are to be paid for in part in oil, the source indicated. But the origins of this oil are not clear and while it was thought likely that it would be provided by Saudi Arabia, the source was not sure. Another Arab Gulf state might supply the oil or it might come from Iraq itself.

A source in the supply section of France's Direction des Carburants told this newsletter that France had not purchased any oil from Iraq or from another country on behalf of Iraq during 1982. The other sources said France had agreed to the latest deal as a last resort, bearing in mind France's desire to maintain good relations with Baghdad as a valued customer known to be in a financial bind and because of France's assessment of the serious consequences throughout the Gulf of Iranian victory in the Gulf war. There were also, according to the source, repeated hints from the Iraqis during the negotiations that Iraq would quite simply halt payments altogether if a suitable agreement was not reached.

CSO: 4400/391

EFFORTS TO REPAY DEBTS DISCUSSED

Paris AN-NAHAR ARAB REPORT & MEMO in English No 23, 6 Jun 83 pp 4-5

[Text]

Iraq is seeking to defer the payment of salaries of Filipinos working in Iraq and may offer crude oil in payment of its debts to Filipino contractors. Iraq's Deputy Prime Minister Taha Yassin Ramadan visited Manila recently to discuss ways of solving the payments problem. Following his visit, a joint communiqué stated that the Philippines had agreed to consider an Iraqi proposal that about 5,000 Filipinos working under direct contract for the Iraqi government be paid 40 per cent of their salaries in Iraqi dinars each month, with the balance to be paid in dollar-denominated promissory notes payable in two years' time.

The fact that Baghdad can no longer afford to cover the wages of ordinary workers — those involved are mainly mechanics, drivers and skilled labourers — is a vivid indication of the extent of Iraq's financial predicament arising from the effort of sustaining its war with Iran. The Iraqis are thought to be seeking similar deferred payment arrangements for another 30,000 Filipino nationals employed by Philippine and other construction companies operating in the country.

Unconfirmed reports in Manila said that Iraq had offered to settle its obligations to Philippine contractors in oil. The Philippine government later announced that it would resume imports of Iraqi oil next year at a rate of about 10,000 b/d. Imports were halted when the Gulf war started in 1980. After Saudi Arabia, Iraq is the second largest market for Philippine contractors, whose business there was worth \$627 million last year.

On the eve of Mr Ramadan's trip, Iraq was understood to have informed Manila that it would be unable to pay for contracts for the next two years. It conveyed an identical message to West German contractors in March, while complex negotiations are currently in progress to settle Iraqi debts to French civil and defence contractors (*An-Nahar Arab Report & MEMO*, March 28 and May 30).

This newsletter understands that the Kuwait government has undertaken to pay Iraq's debts to Kuwaiti contractors out of its own pocket, at the same time making it clear that it is no longer prepared to offer direct aid to Baghdad. And in Lebanon, Georges Achi, Secretary of the Lebanese Bankers Association, said last week that Lebanese banks would be able to help settle the problems faced by Lebanese exporters to Iraq, who have been told by the Iraqi authorities that only half the payments due to them can be paid at present. According to Mr Achi, no government-to-government agreement is necessary. As long as the Lebanese exporter can obtain a commitment from the Iraqi authorities that the balance will be paid at a certain date, the Lebanese bank will provide interim credit.

Hyundai returning in force

However, Hyundai Corporation of South Korea recently announced that it was returning to full operation in Iraq after reaching a financial settlement with the government in Baghdad. Hyundai, which is heavily committed in Iraq, last year withdrew some 2,000 Korean workers from the country. These have now returned, bringing the company's workforce in Iraq back to 17,000. Hyundai apparently intends to send another 4,000 workers by the end of the year to execute new contracts it expects to win. The South Korean contractor gave no details of the deal reached with Baghdad to settle outstanding debts apart from saying that Iraq had promised to resume payments on schedule.

Meanwhile, the French government has confirmed that Iraq is to meet its debts to France partly in oil ship-

ments, which are expected to total 4 million tonnes. A French negotiating team was in Baghdad last week to work out details of the scheme, which may involve a two-tier price for the oil. Oil company sources in Paris were quoted by *Reuters* as saying that part of the oil would be sold at official OPEC prices and part at the lower spot market level. While such an arrangement would clearly breach OPEC rules, Iraq might argue that it is entitled to be given exceptional consideration by its fellow members in OPEC, who have not objected to Iran making limited discounts on oil sales to compensate for extra insurance and shipping costs arising from war risks in the Gulf.

It is not known whether the Iraqi oil will be shared out among all companies that have refineries in France, or whether it will go only to the two state-owned groups Elf Aquitaine and Compagnie Française des Pétroles. Iraq has offered France 2.5-3.5 million tonnes of crude, which Iraqi Foreign Minister Tareq Aziz has said would cover 90 per cent of Iraq's debt to France this year. The debt is estimated at around \$2 billion. Completion of the negotiations is likely to pave the way for a fresh agreement on French arms sales to Iraq. France, which has made no secret of its support for Iraq in the 33-month-old Gulf war, has sold Baghdad an estimated \$5.4 billion worth of weapons since hostilities began.

CSO: 4400/391

NEW HOSPITAL OPENED IN BAGHDAD TO TREAT DIFFICULT CASES - - - -

Baghdad THE BAGHDAD OBSERVER in English 27 May 83 p 4

[Text] The hundred-bed Ibn Bitar specialised hospital at Salihiya area Baghdad was opened last week by Vice-President Taha Muheddin Ma'rouf in a ceremony attended by Health Minister Dr Sadiq Alwash and scores of officials.

Matching the most advance hospitals in the world the new hospital specialises in the treatment of difficult and complicated medical cases.

According to Dr Alwash, the hospital will offer treatment to the growing number of patients with difficult cases who before had to be sent abroad. In 1982 there were some 3000 patients treated outside the country. Their medication cost was borne by the government.

The hospital built in a record period of six months, is equipped with advanced instruments for cases such as open heart surgery, change of damaged heart valves, kidney transplantation, brain and neurology surgery, complicated orthopedics surgery and plastic surgery.

Ophthalmics, ear, nose and throat specializations are also found in the hospital in addition to some other branches including modern X-ray department, the Minister added.

The hospital embraces departments for neurology surgery, minor operations, orthopaedics, physiotherapy, X-ray, laboratories, pharmacy and administration and services.

Adjacent to the hospital there is a block of houses for the specialists of the hospital.

CSO: 4400/392

PROSPECTS FOR TOURISM DISCUSSED

Baghdad THE BAGHDAD OBSERVER in English 31 May 83 p 4

[Article by Saadoon Al-Janabi and Salim Shamoun]

[Text]

GETTS' programme included a sightseeing tour to various archaeological sites such as Babylon, Nineveh, Hatra and Ctesiphon. It also included visits to, and accommodation at, a number of hotels to help the guest see for themselves the facilities provided by tourism authorities in Iraq for visitors to the country.

The tour was followed by a working session for the exchange of views and for discussion of the prospects of sending tourist groups to Iraq.

Though the programme was somewhat too full, the guests had a very good impression about their stay. They did enjoy it. They saw lots of places, learned new things about the country and its people and, most important of all, they discovered for themselves how normal everything is despite the war imposed on Iraq by the Iranian regime. They were amazed to see the "smiles" on the faces of the Iraqi people, the luxurious hotels,

the hospitality of the Iraqis and the magic of Mesopotamia's civilization. To some it was like a dream come true, particularly those who had not been to the country before.

The tour ended with a dinner at Khan Merjan, a beautifully decorated edifice, with a few centuries to its name, in the centre of Baghdad. At Khan Merjan, the guests had a taste of Iraqi food and a blend of Iraqi folk music and belly dancing.

According to Mr Ouff Abdul Rahman, Assistant General Director of the General Establishment for Travel and Tourism Service, the visit of the guests was quite a success and was promising for future. "We have come to agreements with some of the representatives of the tourist companies for receiving groups through them which we hope will be put into practice in the near future," he said. "We have already come to terms with a British agency

for reception of the first group," he added.

Mr Abdul Rahman talked about the great development going on in the country in all fields. He said this development is not confined to the construction of modern hotels now existing in all parts of the country but also in the social life of the Iraqi people and their standard of living. "The looks of the people, the smiles on their faces and their general behaviour are quite conspicuous and reflect the state of welfare they are enjoying thanks the leadership of President Saddam Hussein," he said.

As for the objectives of the present move to promote tourism, Mr Abdul Rahman said tourism is an undepletable national wealth which should be utilized as a vital sector of the economy, especially as Iraq is rich in historical sites.

Mrs Shehnabad Shafiq Kassim, head of Outgoing Tourism Department agreed with Mr Abdul Rahman that the tour was a success and that the impression of the guests was highly satisfactory. "I am sure this will be fruitful. Our friends promised to study the prospects of sending tourist groups to Iraq" she said. She talked about the continuing process of building to make available all necessary facilities to enhance the opportunities for the promotion of tourism. She is optimistic because "We have all the facilities that tourists need from comfortable buses to luxurious hotels."

The General Establishment for Travel and Tourism Services organizes sight-seeing tours for Iraqi nationals and foreign expatriates in Baghdad according to an itinerary at very reasonable prices, she said.

Mr. Geoffrey Hann, Director of Hann Overland Company, London, said his present visit to Iraq was a real experience. "I would say, the opportunity of meeting the people of Iraq has been extraordinary" he said. He added that the exchange of ideas with people on the trip was an opportunity "which we have never had before." Mr. Hann said he managed to see a lot of things here, hotels, communications, the development of Iraq "which has been extraordinary" "We have also been able to present our problems which we have from the purely commercial side. I would think your departments have learnt a little bit from our experience. The programme has been so strenuous that we may have been rather difficult at times, but that is perhaps normal; we have behaved like normal tourists" Mr. Hann concluded.

Mr. Faisal Abu Nawar, representative of al-Karnak Travel Company Jordan, said Iraq has the basic elements for the promotion of tourism, mainly hospitality, archaeological sites, holy shrines and other places of interest for study tours and for relaxation. "A place such as Habbaniya is very convenient as a winter resort and could attract tourists from

Scandinavian countries," he said. "I think Iraq is taking the right measures in promoting tourism in general and there is a great opportunity for realizing this objective," he added.

Miss Anita Segal, representative of Swiss Air in New York expressed her appreciation of the development of the country. She was fascinated by the modern airport (Saddam International Airport) and by how every modern and how clean Baghdad is.

Miss Segal was also impressed by the hospitality of the people, their kindness, their willingness to be helpful, to assist in any way" she said. "To me, Nimrud was the highlight. It was a fascinating thing and Babylon of course, too" she quickly added. "That was, to me, like a dream come true, for no matter how much you read, there is nothing like seeing" she explained.

How about the facilities?

Miss Segal said "The facilities are definitely there. The hotels I have seen a little bit of in Baghdad are fantastic. I think they are the most beautiful in the world and not only in the Middle East. The reaction of the people in the streets was very positive she thought. It is a welcome face; it is an open face," she said.

Mr Hassan al-Wadi, Director of Orient Tours in Austria, said the gathering was a significant and a welcome move for exchange of ideas and experience for the promotion of tourism. "It has two advantages; first is

to prove that though Iraq is in war with Iran, the country in fact is leading a normal life, and second that tourists are welcome" he said.

"Unfortunately, many Europeans are not affected by what they read but by what they see. So, it is important to familiarize them with the reality" he added.

"I think that conferences should be held annually on tourism" he said.

He said, "Despite the war, Iraq has acquired a respectable name in Europe and tourists wishing to visit Arab countries would love to come to Iraq. Iraqis now are proud to identify themselves as Iraqis because of the achievements and development Iraq is witnessing at present"

Miss Pilar Ruiz Canseco, representative of Viajes Marsans Spain, said, "You have a very interesting country which you must show to the world because it is not the same to see it in history books. To see the great places you have here is different. I have not felt the slightest effects of the war on the people and the country is leading a normal life".

"I have a very great impression because things are not like what we always think. I am very happy to see your country and the great places you have; it is like a dream to me. When you come to Iraq you realize that

there are so many things to see. People here are very friendly and everyone wants to help and that is very nice indeed. It is a way to know the country, talking with people. This is my first time in Iraq but certainly not my last I hope" Miss Canseco added.

Mr Bruno Schischke, managing director of Arya Worldwide Tours, Germany, is a perfectionist who worries about the slightest of details. All his sentences have "buts" in the second part. He admits that "the infrastructure has definitely increased greatly" but he complains that "the archaeological sites are far from each other!"

However, Mr. Schichke did not rule out the prospect of sending tourists to Iraq but he said it might need time and thorough study. His ideas, on the whole, reflect the fact that he is a very experienced man who knows his job.

Anyway, he seemed to be enjoying himself at Khan Merjan. He even had a try at belly dancing.

Mr. Siegfried Richert, said "I am very much impressed with the country and the progress which has been accomplished within just a very short time. It is remarkable with what speed and with what energy and how much enthusiasm things are done here".

"When we talk from the historic viewpoint, from hhe

archaeological concept, I think Iraq is one of the most important countries of the world because every child in school learns about Babylon and knows something about the ancient history and especially where civilization started, where people started to write and originated"

Mr Albert J. Saeed, Director of Universal Travel Company, Baghdad, and Mr. Faisal N. Abdul Aziz, Managing Director of Semiramis, Baghdad, said their companies are ready to cooperate with the State Organisation for Tourism. They believe that the prospects for enhancing tourist influx to the country are good, especially as the facilities required are available.

Finally, the tour could be described as highly successful due to the efforts made by the organizers and by the people accompanying the guests. The latter were very cooperative, helpful, and above all concerned for the comfort of the guests.

They did their best to please everyone; Anwaar Fuad was everywhere to help. Salem Saleem did his bit and added to the knowledge of the visitors as did Kareem the guide who did a good job.

Tareq Hayyawi deserves to be called the star of the show for the efforts he made to make everyone comfortable.

TROOPS SAID TO BE DEVELOPING EXPERIENCE

Baghdad THE BAGHDAD OBSERVER in English 26 May 83 p 4

[Text]

One of the military gains of the Iraq-Iran war is that Iraqi troops have developed good tactics in commanding military operations on both defence and attack levels. In their wide-scale retaliation on September 22, 1980 to push back Iranian forces massed at the border axes, Iraqi troops went deep inside Iranian territories after a series of speedy and skillfully manoeuvred battles which took the well- equipped and prepared enemy by surprise and won the admiration of foreign military experts.

To hold thousands of square kilometers of the enemy land, including towns, in compliance with the new military map drawn by the high command, Iraqi forces needed to follow a chain of tactics whether on the level of the troops deployment or the level of the command to rob the enemy of any opportunity to make use of the long lines between advance troops and their rear support bases.

During this long war some of the Iraqi troops were engaged in more than one fierce battle with the enemy necessitating the change of

military plans to foil the enemy objectives. This, indeed, gave the involved troops a distinguished tactical position.

Al-Mansour forces, one of the Iraqi army formations, played a decisive role in the military operations which took place at the central zone of the battle front.

According to its commander, the battles which his troops waged are worthy of a thorough military study because they used new tactics

other than the traditional ones, taking into consideration the nature of the difficult terrain on which these battles took place.

He pointed out that his troops launched several offensives to occupy strategic positions inside the enemy land. They also fought feriously in defence of these positions, especially the first Kouleena battle, at Serbil Zehab area.

The commands of these troops landed behind the enemy lines, while other units launched offensives from several directions to tighten the noose on the enemy. After a twelve hour battle, the Mansour troops captured the whole mountain of Kouleena. This granted the troops a good position overlooking the enemy forces behind the mountain.

At Serbil Zehab basin the enemy launched several-pronged offensive to recapture strategic positions which would improve its tactical

position, he explained. But the Mansour troops fought off the offensive inflicting heavy losses on the enemy. Several officers and soldiers were honoured the order of bravery in appreciation of their distinguished courage.

According to the commander, his troops waged one of the distinguished battles in the Gulf war, that is, the battle which took place in defence of the height No.

1150 at Serbil Zehab sector in April 1981. This battle lasted for eleven days and in which the best of Iraqi and Iranians troops were engaged. The Iranians launched several attacks to recapture a very important position there. But the attackers faced stiff resistance by Mansour forces, which after containing the enemy wide-scale offensive, counter-attacked seven times, each counter attack was different in timing and combat tactics. In their seventh counter-attack, Mansour troops smashed the Iranian force at the height and they imposed full control over the whole area.

The commander pointed out that in the battles following this one, the enemy changed all its previous tactics which proved to be ineffective in moving the well-trenched Iraqi forces from their positions. The Iranian high command followed a new tactic represented by replacing the direct attacks by pushing more forces from several directions to surround Iraqi troops. This happened in next Gailan Gharb and the height No. 1172 battles which were described by the Commander-in-Chief, President Saddam Hussein, as one of the distinguished battles in the Gulf war.

He added in these battles the enemy surrounded Mansour and Nu'man forces from twelve directions. The enemy succeeded to advance in some axes where there were light troops. In a twenty-six day battle, Mansour troops destroyed the enemy forces in the positions they were able to hold for the first seventeen days of these fierce battles. The enemy was completely defeated after one column of Mansour troops encircled the enemy forces facing Nu'man troops at height No 994. At other

directions commando units were landed to cut the enemy rear supply lines. Also other columns attacked at other areas to encircle the enemy forces. The enemy was completely surprised by this new combat tactic, so it pulled out its forces disorderly incurring heavy losses.

He added that his troops, by efficient reconnaissance and surveillance, collected information on the enemy intentions at that sector. So plans were already taken to counter-attack the awaited offensive. He affirmed that all defence preparations taken by his forces and the command of the military operations were based on a study of the enemy intentions at each area in the sector. This made the enemy hesitant to launch attacks fearing of their results which were not in its interest.

The commander concluded that one of the main reasons behind these victories is the strict military discipline and the good training which his troops enjoy. According to him a well trained unit is stronger than a well-equipped but not well-trained unit.

INCREASED TAX REVENUE FORECAST BY FINANCE MINISTRY

Haifa ISRAEL BUSINESS in English No 383, Jun 83 pp 4, 5

[Text]

Government revenue will continue to increase, in fiscal 1983/84, according to a forecast issued by the Ministry of Finance. The tax collector will take in an estimated IS 570 billion during the year, 5.5% more in real terms than in 1982/83.

The forecast was based on the assumption that no new taxes would be imposed in the course of this year, and that older tax rates would not be increased. Most observers consider that an unrealistic premise, since various pressures are certain to lead to new fiscal legislation. At least one such law, concerning a foreign travel tax, already has been passed and a 1% fee is now imposed administratively on purchases of foreign currency.

When estimates for 1983/84 were prepared, planners thought income tax collections would increase by 6.6%, in real terms. To a limited extent that will be the result of last year's legislation concerning the effects of inflation on taxation. However, implementation of those laws will offer many difficulties: they are so complex that some think them unworkable.

Indirect tax collections, it is thought, will drop by about 1.6%, again in real terms, to approximately IS 220 billion. That may be the result of declining consumer good imports — a hoped for trend not yet evident at this moment.

Various taxes legislated only last year — especially the charges on stock exchange transactions — will remain in effect during all of 1983/84. The 2% levy on all securities transactions will bring in IS 28 billion, up sharply from the IS 9.5 billion collected since this tax became law in the middle of last year.

According to the forecast, government revenue will absorb almost 48% of Israel's gross national product in 1983/84, substantially more than the 42% reported for the previous tax year. The national tax burden stood at 44% in 1976, but declined to as little as 36.7% in 1980. Now it is again increasing, declared policy objectives notwithstanding.

Income tax authorities not long ago published a study on the tax burden's distribution. About 60% of all taxpayers – some 900,000 persons – are in the lowest 25% bracket and provide a total of 27% of the national income tax revenue. Only 10.2% of the population are in the highest 60% bracket, but they pay about 30% of all the tax collected. Only 8.5% of all Israel wage earners are in this category, compared with 21.3% of the selfemployed.

CSO: 4400/389

PAYMENTS BALANCE, CONFLICT BETWEEN FINANCE, BUSINESS WORSEN

Haifa ISRAEL BUSINESS in English No 383, Jun 83 pp 4, 5

[Text]

In the course of 1982, Israel's trade gap reached the unprecedented level of \$ 4.7 billion, 9% more than in the previous year. Even though the deficit of foreign payments on current account was a considerably smaller sum, thanks to about \$ 2.6 billion in unilateral transfers, most Israelis consider this development a cause for deep concern.

These already difficult facts are made even more serious by several specific considerations. For one, the deficit went up in spite of smaller defense imports and lower payments for imported fuel. Foreign currency expenditure for military purposes dropped from \$ 2,160 m. in 1981 to \$ 1,520 m. last year, and savings of about \$ 130 m. were made by the country's energy economy, thanks to dropping fuel prices and the ongoing shift to coal.

The cause for last year's deterioration will be found in a combination of factors. Consumer good imports, as well as travel expenses of Israelis going abroad went up, exports declined, unilateral transfers dropped by more than 10%, payments to foreign investors increased almost by one fifth, and so forth. All along the line, income tended to decline, while outflows increased.

The sum total of all those developments was a \$ 2 billion increase in Israel's net foreign indebtedness, to \$ 15.5 billion. Although much of that is owed to non-commercial factors — the U.S. and other friendly governments, as well as buyers of Israel Bonds — such a large burden unavoidably will affect the country's stance in the international credit market.

Statistics for the first three months of this year only underline those problems. Official data for January–March 1983 from the Central Bureau of Statistics show a small increase in imports,

combined with a 10% drop in foreign sales. The trade gap consequently widened by 27%, to \$ 770 m. — Israel's highest ever first quarter trade deficit.

To some extent, at least, those results are part of the troubles experienced by the world economy in general during the last two years. However, many observers, including noted academic economists here, tend to think that the government itself must shoulder part of the blame. Its own economic policies are widely believed to have aggravated matters. Its desire to find favor with voters has made it impossible to take the corrective steps many think are essential at the present time.

Not so long ago, some months before last year's general elections, Finance Minister Aridor himself lowered indirect taxes on many consumer items, thus setting off a buying spree that has not yet reached its end. Color TV sets, videotape units and passenger cars are still being imported in quantities many think beyond the Israel economy's capacity.

What makes matters even worse is the government's consistent attempt to slow the rate of currency devaluation — a policy that makes imports progressively cheaper, while exports become constantly more expensive in terms of the foreign customers' currencies. That is said to be an anti-inflationary measure, even though its beneficial effect even in that sphere is not at all obvious.

Against this background it becomes easy to understand the increasingly vociferous conflict between the Minister of Finance and much of Israel's business community. Farmers are in near open rebellion against government policies, and now the industrialists also have come out in open opposition. That the Bank of Israel — its governor is a government appointee — consistently disagrees with official policy is already taken for granted.

At this writing it is hard to see the way out of this impasse. The only point of light in the whole picture is summed up by a joke now making the rounds: Why is Israel's the strongest economy of any country in the world? Because it manages to function in spite of what they're doing to it.

For this remains the basic fact: even with all its difficulties, Israel's agriculture, manufacturing and service industries remain vigorous, inventive and highly adaptable. Obstacles are mastered, new markets are won and operations are steadily made more efficient and profitable. Even in this period of vexing problems, there are areas of strong growth — almost all of them in industries that serve export markets.

RESTRICTED MEDIA COVERAGE OF LEBANON FACTOR IN IDF SUCCESS

Tel Aviv YEDI'OT AHARONOT in Hebrew 5 May 83 p 2

[Article by Tzadok Yehezkaeli: "IDF Spokesman States That Restrictions on Press Aided IDF in Surprising PLO"]

[Text] "The smoke screen which we created intentionally during the first 5 days of the Lebanese war was proven to be brilliant policy. Not only thanks to this policy--of imposing restrictions on the media--did we achieve our objective of surprising and striking the PLO, but in addition it became clear, to our astonishment as well, that thanks to this policy the Syrians also were completely surprised.

This was announced last night by a spokesman of the IDF, Brig Gen Ya'akov Eban, in his remarks before the participants of the International Workshop for Communications in War. The workshop, which took place under the sponsorship of YEDI'OT AHARONOT ended last night.

The spokesman for the IDF and the chief censor appeared last night before many foreign news people in a discussion of censorship. The IDF spokesman criticized the accuracy of the reports on the war in the foreign news media: "We did not get proper treatment," Brig Gen Eban asserted.

He related how he had at first opposed the "smoke-screen policy" but changed his opinion upon the outbreak of the war: "The PLO was dependent to a great extent on the reports which were received from the media, and we wished to prevent that and in fact we succeeded."

Brig Gen Eban stressed that during the first 5 days when restrictions were imposed upon the media, the local press was not favored. He did concede, however, that "we had decided that it would not be all that terrible if the citizens of other countries were to suffer a delay of a day or two in the reception of information."

Brig Gen Eban categorically rejected the allegations from the foreign news people that the restrictions placed upon them are what caused distortions and inaccuracy in their dispatches: "To our great amazement," he related, "precisely after we permitted entry by the foreign news people into Lebanon, the coverage became poor, distorted and far more antagonistic." He told

about two veteran foreign correspondents who "led" their readers to believe that slaughter in the Sabra and Shatila was orchestrated by Israel. The two were awarded the most important prizes in international journalism.

Despite the criticism of the foreign news media, Brig Gen Eban promised that, "We do not intend to seek vengeance and to relate hereafter to the media by the British method in the Falklands." The chief military censor, Brig Gen Yitzhaq Shani, emphasized the great understanding between the censor and the local news media, and revealed that since 1949 only about 90 complaints have been registered by newspapers against the military censor.

Brig Gen Shani attributed to censorship the success of the IDF in surprising the PLO in Syria. He revealed that until the outbreak of the war the censor prevented publication of many dispatches that reported mobilization of reserves, troop movements to the north, and the decisions of the government regarding undertaking the war. During the first days of the war the censor prevented publication of facts on the scope of battles, locations of breakout and paths of troop movements: "Had we not imposed these restrictions, we would have handed the Syrians and Arafat whatever they needed on a platter."

Dozens of the foreign correspondents who filled the hall to capacity did not protest against the remarks of the IDF officers. The survey by the correspondent of the British Independent Television Network, Michael Nicholson, of the much-more-severe censorship which was implemented by the British authorities in the Falklands war removed the sting from the arguments of the foreign correspondents.

An in-depth discussion was also conducted on the topic of the function of the media upon the conclusion of wars: "The press is obligated to take a stand and to contribute to the peace process," said Mati Golan of HA'ARETZ. A contrary approach was offered by Michael Elkins of the BBC, who argued that the media must satisfy itself with a proper and objective report of events. This discussion was led by a member of the editorial staff of YEDI'OT AHARANOT, Aracl Gana'i.

The workshop closed yesterday, but for the people of the Davis Institute and the Institute of Communications of the Hebrew University the work has only just begun. They are preparing to conduct a wide-ranging study and analysis of the discussions in the workshop and to compile the results of the study in a book on "communications in the war and subsequently." "The workshop was a great success," Dr Gabi Sheffer, one of the leaders of the project, concluded. "For the first time a three-way exchange took place here among academe, the media and the authorities. I am convinced that this exchange will enable all sides to understand one another better from here on."

8090

CSO: 4423/135

YARON IDF MANPOWER CHIEF DESPITE ARENS, KAHAN RECOMMENDATIONS

Jerusalem THE JERUSALEM POST in English 17 May 83 pp 1, 2

[Article by Hirsh Goodman]

[Text]

This Friday, exactly one week after being told by Defence Minister Moshe Arens that he would not get the job, Tat-Aluf Amos Yaron will take over from Aluf Moshe Nativ as chief of the Israel Defence Forces Manpower Branch.

Arens's original decision was based on legal advice from three top experts, including the attorney-general. They recommended that Yaron not be promoted to the position, in view of the findings of the recommendations of the Kahan Commission that he not be given a command position for three years because of his part in the events preceding the Sabra and Shatilla massacres.

For the time being Yaron will retain his present rank, and will not be promoted to aluf. He will be a member of the general staff, however, and carry all the responsibilities of his new post. Chief of Staff Rav-Aluf Moshe Levi had originally recommended Yaron, formerly chief infantry and paratroop officer, for the job. Arens, however, felt that the appointment could be a "slap-in-the-

face" to the Kahan Commission and asked legal advice from the Defence Ministry's legal counsel, the IDF's advocate-general and the attorney-general, all of whom agreed that Yaron should not be promoted to the job.

Yaron, whose reaction to Arens's decision was described by one eyewitness as "hysterical," asked for a meeting with Prime Minister Menachem Begin. The meeting took place on Sunday.

Yesterday Arens informed Levi that he had changed his recommendation and said that from now Yaron could hold the position of chief of manpower, but not the rank that usually goes with it. He will get the rank later.

Defence Ministry sources said yesterday that the decision was consistent with the advice that Arens had originally received. The job of manpower chief is primarily an administrative job, so assigning it to him does not go against the spirit of the Kahan recommendations that Yaron not be given an active — i.e. combat — command for three years. In not promoting Yaron to aluf now, the sources said, the minister's intention is to show his

sensitivity to the commission's report.

Defence Ministry spokesman Nahman Shai said last night that Arens's opinion "was influenced by Prime Minister Begin and by several senior members of the general staff."

It was also announced yesterday that Tat-Aluf Yitzhak Mordechai has been appointed chief paratroop and Infantry Officer.

Yaron was born in Holon in 1940. He joined the IDF in 1957, and held command positions in various units, mainly in the paratroops. Yaron attended the U.S. Marine Corps staff college and the Israel National Defence College in Israel, and studied history at Tel Aviv University. After Operation Peace for Galilee he commanded all IDF forces in Beirut.

Mordechai was born in Iraq in 1944. He joined the IDF in 1962 and has been with paratroop units throughout his career. In Operation Peace for Galilee he commanded the brigade that took Tyre, Sidon and West Beirut. He is a graduate of the Israeli and British staff colleges and has studied at Tel Aviv U.

ARAB-JEWISH COEXISTENCE OFFICE CRITICIZED

Jerusalem AL-FAJR in English 27 May 83 pp 7, 13

[Article by Hanna Assadi]

[Text]

Arab-Jewish relations hit a new low recently with the opening of an Institute for Jewish-Arab Coexistence (IJ-AC), jointly run by the ministry of education and culture and the office of the prime minister's advisor for Arab affairs. It commenced its work by firing a Palestinian researcher because the Shin Bet (Israeli General Security Services) have in their files that he is a member of Abna' al-Balad — a "charge" he denies.

Samir Abu Shakra, 33, from Um al-Fahm in the Triangle, started work last November doing research on the image of Jews in Arabic literature and Arabs in Hebrew literature. He is an MA student of philosophy at the Hebrew University and has a background in work to further relations between the two communities. While a student at Beer Sheba University he worked on an "education for peace" programme, again specialising in literature.

The Beer Sheba researchers and the IJ-AC are both funded by the same source — the Hans Seidel foundation in West Germany. The charity is run by the extreme right-wing Christian Social Union Party. In Israel it also funds police seminars and financed the Likud 'We're on the Map' tours of settlements before the last elections, according to Abu Shakra. Because of the link, Abu Shakra had discussed the institute with director Gershon Baskin for several weeks before starting work.

His problems started a fortnight into the project. Baskin told him that the institute's board had decided to reinterview all candidates. Samir was then reassessed, in a 15 minute session, by a team which included the head of the Arab department of the ministry of the interior and Yehezkiel Shamash of the Arab affairs office. He was told by one of his interviewers that it had gone well and that they wanted him for IJ-AC. Two days later Baskin confirmed this on the phone and told Samir to come to work. When he turned up for work, however, Samir was told by Baskin that Shamash had asked him to stop him from working because of Shin Bet disapproval.

Samir then began a frustrating round of public offices. He found out that the Shin Bet had labelled him "not a person to work on a coexistence project." Baskin explained that this was because of his links with Abna' al-Balad — a Palestinian progressive nationalist organisation. He later told him that he had intervened personally with Binyamin Gur Arye, the Arab advisor to Menachem Begin, who hung up on him saying, "such people don't get a chance."

Eventually Samir went to the Israeli Civil Rights Association. They took up the case and wrote to the institute's board of directors at the beginning of January. Stressing the 'co-existence' rubric of the institute, Ruth Gavison, chairperson of the ICRA,

noted that there was nothing in the job Samir had applied for which would affect security or deal with classified information. She noted that the security checks, conducted only on Arabs, were discriminatory and asked if they were necessary. She said that skill was the only criterion for accepting candidates.

A reply was sent in the name of Gabriel Zeimer, Israel representative of the Hans Seidel foundation, by Elisha Peleg, his attorney. Zeimer, through Peleg, said checks were now made on all candidates and rejected demands that vetting be stopped. He said, "the concept of discrimination is artificially created by those who came to help on one side..."

He ended by expressing his displeasure "at your letter in particular and your way of working in general." He said ICRA's activity has "harmd the good name of the state of Israel as the protector of democracy which fights for the freedom of the individual."

Baskin is a democrat too. He told *Maariv*, in a puff-piece on the institute: "we see the roots of education for coexistence... as education for democracy."

They do not include Arabs in their definitions, however. The ICRA's letter was not even brought before the board for consideration. Baskin told *Kol Yerushalayim* that Samir was fired for political reasons.

Ruth Gavison is pessimistic about the prospects of Samir getting his job back. She called the encounter, "typical of any context in which the government is involved." She pointed out that the Shin Bet gave the say-so over any job in the education sector and that this is the explicit policy of Gur Arye.

The ICRA did not take the attack on their organisation lying down. They

complained against Peleg to the ethics committee of the Israeli Bar Association. A second letter to Zeimar, in which they took issue with Peleg's assertion that private employers have total discretion over how they hire, has been unanswered since March. They consider this impolite, while acknowledging that the IJ-AC has no legal obligation to answer them. They consider now applying to the ministries where board members are employed for satisfaction.

The Arab advisor at the prime minister's office controls the general blacklist of Palestinians - through the "Information Centre-Arab Branch", which has liaison with the Shin Bet. This list is available to both government and private employers. People on the list are not admitted to teaching seminaries and cannot work as teachers. According to Ian Lustick, who has written extensively on the methods Israel uses to control Palestinians, it is sometimes used to punish whole villages. According to *Kol Yerushalayim* it was the fact that Samir is from Um al-Fahm that first aroused Shamash's suspicions.

The IJ-AC board's Arab members includes only people affiliated to either the Labour Party or Likud. According to Samir, no Arab has been appointed as a group leader.

So Samir Abu Shakra can forget about employment in government or quasi-government offices. The contempt the IJ-AC showed for the ICRA speaks volumes for their work. There are rumours that they may be the final home for books looted from the Palestine Research Centre, Beirut, last September - an act which contravenes the Geneva Conventions.

After discussing the case, Gavison, commenting on its significance for Jewish-Arab relations, said, "they are in bad shape."

NEW LIBERAL PARTY GROUP FORMED

Tel Aviv HA'ARETZ in Hebrew 6 May 83 p 12

[Text] The Committee of Five, led by Minister Yitzhaq Moda'i, will attempt to influence the future of the Coalition as well, a source close to the group said yesterday. The same source said that the intent of the group is to be a nucleus for the renewed establishment of a liberal party.

He said, further, that the group does not intend to fragmentize the liberal bloc at this time, although it is clear that if its conditions are not abided by, its members will take steps which they deem appropriate.

The source said, further, that the group will fight for implementation of the liberal sections which appear in the Coalition Agreement. Among these: to enact a compulsory arbitration law in government services, a national health law, establishment of a second television channel, establishment of a ministry of information, and also cancelling the Galilee Loan and the taxes on acquisition of foreign currency. It appears that Moda'i presented this series of demands to Prime Minister Menahem Begin when he met with him mid-week. The source stated, also, that the formation of the group was vital "to the rescue and strengthening of the Liberal Party," inasmuch as until now the party has not exhibited any initiative at all in the area of implementing the liberal principles in economic and political life." He added that members of the group are receiving much encouragement from members in the institutions of the party and from heads of economic institutions and organizations.

Circles in the Liberal Party yesterday said that Moda'i undertook the fragmentation initiative at a time when his right hand, Knesset Member Pinhas Goldstein, is out of the country. Those circles say that Goldstein, who is aspiring to win the nomination of the Likud for mayor of the municipality of Kfar Saba, would have prevented Moda'i from taking such an extreme step. They said also that Moda'i would not benefit from the step which he undertook. Additionally, he took with him Knesset members who it is doubted will demonstrate loyalty and are apt to abandon him as they abandoned other groups to which they have belonged.

8090

CSO: 4423/135

SARA DORON NOT TO HOLD KNESSET SEAT

Tel Aviv MA'ARIV in Hebrew 4 May 83 p 2

[Article by Yehoshu'a Bitzor: "MK Avraham Shapira Takes Revenge on the Liberals and Sara Doron Does Not Join the Government"]

[Text] The government's plan to seat MK Sara Doron as the token woman at the government's table did not succeed. MK Avraham Shapira's revenge against the Liberals prevented it. Agudat Israel's dissention was abating due to internal party disputes and the chances were increasing that they would reduce the price they were demanding to allow a woman from the Liberal Party to join the State leadership, a woman whose record was lily white.

But the most interesting development yesterday was the Alignment's willingness to donate four votes toward seating Doron if Agudat Israel took a stand against her. In the end, the whole thing fell through. Two days ago, when MK Aharon Harel brought the suggestion to the Alignment, party chairman Shimon Peres rejected the idea summarily. Peres explained that confidence in the government was at stake and that it was unlikely that the opposition would display a similar readiness.

Begin Was Not in a Rush

But yesterday, the Alignment took a second look at the situation. When the chairman of the Herut movement, MK Roni Milo, turned to Alignment chairman MK Moshe Shahal and asked him if the Alignment would agree to provide the votes needed to seat Doron, the head of the opposition promised to discuss the issue and did indeed arrange for a special committee to meet--composed of Shimon Peres, Haim Bar-Lev and Moshe Shahal--to discuss Herut's request and perhaps even respond. The Alignment figured as follows: Sara Doron would join the government by the grace of the opposition; this would cause a rift among the members of the coalition; the religious groups would use the same tactic the next day to solicit the Alignment's cooperation on other issues. In the end, it could mean deterioration of the coalition. That is why Prime Minister Menahem Begin did not give his blessing to the move. The other Herut members withdrew as well and the whole thing fell through.

Yesterday, Begin had considered intervening in the dispute and applying pressure on Agudat Israel's members. But two things happened yesterday to prevent him from so doing: Separate meetings with his deputy, Simha Erlich and with Minister Yitzhak Modai, who came to report to him on the danger of divisiveness among the Liberals; i.e., the party for which they were fighting was in danger of falling apart. And reports from the Aguda group indicated that MKs Laurente and Parosh were still in agreement with the procedure initiated by Avraham Shapira.

For these reasons, Begin decided that there was no point in rushing. If the Liberals were likely to split, there would be no point in endangering the well-being of the coalition on their account. And given the differences of opinion among Aguda MKs, Begin was convinced that in this situation it would be better to wait and let the Aguda members "stew in their own juices" until they would agree to the lowest price possible for voting in Sara Doron.

The Price: The Archaeology Law

MKs Laurente and Parosh yesterday did not hide their bitterness about the fact that in their opinion MK Avraham Shapira did not act fairly. He had not consulted with them prior to launching his campaign against Sara Doron. They even emphasized that Sara Doron had acted fairly toward Agudat Israel. And more than once, she had voted for religious laws out of loyalty to the coalition, against her own personal views.

The general assumption is that in the end Agudat Israel will vote for Sara Doron in exchange for a commitment to support the law prohibiting archaeological digs in ancient areas. But this would require a few more days of lobbying. Deputy Prime Minister Shimha Erlich told MA'ARIV yesterday that the Liberals would never agree to give up on the "who is a Jew", issue, as Shapira was demanding.

In this framework, MK Yitzhak Berman announced that he would advise the Liberal Committee to work toward re-instating El-Al flights on Saturdays, to recruit Yeshiva students into the IDF, and to allow abortions at the request of the woman. This announcement immediately roused the anger of his sworn enemy, MK Yitzhak Modai, who called Berman's words treasonous.

Minister of Justice Moshe Nissim shut himself up yesterday with MK Avraham Shapira in an attempt to soften him up. But even that conversation was futile. Herut members were particularly angry at MK Shapira, and some demanded his resignation as head of the coalition.

And Sara Doron is still waiting.

9811

CSO: 4423/136

BAYT SAHUR MAYOR DISCUSSES CIVILIAN ADMINISTRATION

Jerusalem AL-FAJR in English 20 May 83 p 4

[Interview with Hanna Atrash, Mayor of Bayt Sahur, by AL-FAJR]

[Text]

Q. Did you ask the head of the 'civil administration' to visit Beit Sahour?

A. No. Israeli authorities started to arrange this visit a long time ago. Three months ago, the military governor in Bethlehem summoned me and arranged for a visit of the head of the 'civil administration'. Later the visit was cancelled. On April 7, I was summoned to Beit El (Israeli occupation headquarters) where I presented the demands of the Beit Sahour municipality. On April 19, I met Shlomo Elia at Beit El and the visit was arranged.

Q. Did the 'civil administration's' head make a visit to you a precondition for meeting the demands of the municipality?

A. No, but he indicated his intention to visit the municipality and I welcomed him.

Q. Do you think that cooperation with the 'civil administration' is in violation of last year's decision of the municipalities not to cooperate with the "civil administration"?

A. In my opinion, a municipality cannot work in a vacuum without getting support. This happens in all countries of the world. We are still under occupation, whether it is called 'civil' or 'military' administration. There is a difference between cooperation and collaboration.

Q. But you are against autonomy. When it was first declared, you told me that the 'civil administration' and 'autonomy' do not meet the rights of the Palestinian people.

A. Up to now the authorities did not apply autonomy and if they attempt to, we will express our attitude.

Q. Did any member of the council oppose the visit?

A. Yes, three members: Khalil Khair, the deputy mayor, and Attallah Rashmawi and Hanna Jaraiseh, members.

Q. Is there any relation between your cooperation with the 'civil administration' and the meeting which was attended by 10 municipalities in the West Bank in Nablus (a few weeks ago)?

A. I told our colleagues that I want to cooperate with the 'civil administration'.

Q. But did you not sign a statement in the meeting and assign Hilmi Hanoun (the mayor of Tulkarm) to send a letter to the 'brothers outside'? Did you get a reply?

A. I do not know about the letter, and I want to say that the (political) conditions have changed.

CSO: 4400/385

DISCRIMINATION AGAINST ARAB WOMEN WORKERS DISCUSSED

Jerusalem AL-FAJR in English 20 May 83 pp 8-9

[Article by Shani Taylor]

[Text] The Triumph company bus leaves Dheisheh camp at 6:30 am; work begins at 7. The women leave at 4-4:30 pm and work five and half days a week. For this, the Palestinian women working in the Triumph lingerie factory earn a basic monthly wage of IS5000 (US\$120.00)--while the Jewish women receive double that amount.

Palestinian men will often reply to a question about the place of women from the occupied territories in factory production by saying that very few Palestinian women work outside the home except perhaps as teachers. Many insist that the few who do, are doing so to earn pocket money before getting married, adding that traditional attitudes are still effective in keeping women at home. Speaking with women activists or just arriving very early at any refugee camp or village in the West Bank will reveal a very different situation as busloads of women get ready to leave for work in the fields and factories of the occupied territories and inside the 'green line'. For Palestinian women, largely from camps and villages, like men, are entering the industrial labour force in greater numbers than ever before.

It is extremely difficult to judge exactly the size of the female work force in the occupied territories. The Israeli government's most recent study of the work force of the territories ignores sex differences. A UN study published in 1981 indicates a drop in female participation in the work force from 16 per cent of the total in 1970 to just over 13 per cent in 1980, but this is contradicted by a study done by the Working Women's Committees of the

West Bank and the Gaza Strip. They estimate that in 1978 there were some 30,000 women from the occupied territories working in factories alone, a dramatic increase from their figure of 13,000 for 1967. These would be workers in very small factories with under 10 employees. Figures for 1967 are difficult to assess because of the effects of the war. The discrepancy is possibly due to a combination of factors, including under-reporting of women's involvement in cottage industry, reluctance to admit that women are working outside the home, on the part of their families, and the general tendency of Palestinian workers to be under-represented in Israeli statistics on the work force of the occupied territories working within Israel.

Including women working for wages in agriculture and as domestic and industrial cleaners, in addition to the category of secretaries, teachers, and nurses, the percentage of the active work force which is female could well be as high as 20 percent, according to women activists on the West Bank and Gaza Strip. Interviews with women workers highlight financial necessity as the reason for this increase in the involvement of women in the work force of the territories. While women do enjoy getting

out of the house, it is usually as a result of financial desperation on the part of their families rather than the pursuit of personal satisfaction. Indeed the generally depressing picture of long hours, poor working conditions, and pitifully low wage levels bears out the primary role of economic need in pushing women into factories. Certainly poverty is the major factor in the change in attitudes, or at least of practice for families who traditionally would never consider allowing their daughters to work away from home. The average per capita income for the West Bank is one-third of the Israeli average, for the Gaza Strip it is one-sixth.

Dire Economic Straits

In general terms the position of Palestinian women workers on the West Bank and Gaza Strip cannot be separated from the dire economic straits facing the population as a whole. The feeble level of industrial development in the territories prior to 1967 has been redirected to serve the Israeli economy, largely serving as a subcontracting sector for factories and industries owned by Israelis. There been an effective de-industrialisation of the territories as the contribution of industry to the GNP has fallen from 8.7 per cent in 1966 to a current level of 6.7 per cent. Yet the working class within the occupied territories has grown substantially since occupation — not building the infrastructure of their own economy but forced by lack of jobs to work inside Israel.

Official Israeli statistics for 1981 indicate that over a third of the work force of the occupied territories, some 75,000 workers, are now employed inside Israel, up from 12 per cent in 1970. But as striking as these figures are, they are a substantial underestimate. An Israeli ministry of labour estimate at the beginning of this year of the number of Gazans working inside the 'green line' is 34,000, some 43 per cent of the Strip's total work force. This includes 12,000 who have work permits and who were channelled to their employers through the official labour exchanges set up in the territories to control the flow of workers to Israeli factories, construction sites and the agricultural sector. It also includes another 22,000 workers, 14,000 of whom are 'illegal' but still receive their wages through the labour exchanges. The remaining 8000 (which is probably an underestimate) are dependent on temporary work contracted on a daily basis when they are picked up at the "slave markets"

for Arab labourers which dot Israeli cities. These are the lowest paid workers and women as well as children are present at these "slave markets" searching for work.

The same general situation holds true for the West Bank, which is estimated to funnel some 49 per cent of its work force into the Israeli economy. This includes some 15,000 workers who work on the West Bank for Israeli subcontractors taking advantage of the lower wage scales in the territories. Again in this sector women are heavily represented.

Palestinian workers are hostile to taking part in this process which is effectively draining the labour power of the territories to build the Israeli economy, but the lack of well-paying jobs in their own land has given them little option except emigration. Some 22,000 workers, largely skilled, have migrated to the Gulf and Jordan between 1970-77.

The position of Palestinian women in this context is particularly bitter. Their husbands, fathers, brothers, and sons are forced either to go abroad or commute up to four hours a day for work, unless they risk sleeping overnight inside the 'green line' which is illegal for most workers. Women are increasingly taking on the double burden of work inside and outside the home. Few households have any of the domestic conveniences which have played a significant part in freeing women in developed economies from domestic drudgery for productive labour outside the home.

Significantly, while families are increasingly recognising the necessity of women's labour outside the home, many women who work, especially in factories inside Israel, are looked down on as immoral because of the absence of family supervision at work. Indeed there is a phenomenon in which fathers arrange for their daughters to be picked up by labour contractors who take them to more distant factories where they are unlikely to be recognised, thus preserving the family's honour. These women are paid very badly and the wages usually go directly to their fathers.

Certainly though, not all Palestinian women are so lacking in independence. Meeting with a group of women factory workers in Dheisheh refugee camp, I was struck by their self-confidence as they talked about their work in Israeli factories. They work because they want to contribute to the family income. As

one woman told me, "Every year life gets more and more expensive; before it was the men who worked to provide but now some are in prison and the ones who work don't earn enough for their families." Fatmeh's own situation is representative of women I've spoken to. There are eleven in the family, only seven remain in the camp. One brother is a political prisoner, another one is not allowed to return, a third is studying abroad (a major expense), while a sister has married and settled in Jordan. Fatmeh and another sister must help their aging father to support the rest of the family. Along with many other women from the camp, she is up at dawn to do housework. The company bus arrives at 6:30 am, work begins at 7:00 am with a 15 minute break for breakfast and half an hour for lunch — they leave at 4:00-4:30 pm and work a five and a half day week. Fatmeh's work at the Triumph lingerie factory consists of sewing on the straps of brassieres, hour after hour for wages which are terrible by international standards, but much higher than what she could earn on the West Bank. Her basic wage is IS5000 (US\$120.00) a month with the possibility of earning IS8000 (US\$195.00) with a productivity bonus for surpassing ever increasing quotas. The basic wage of Jewish women employees is double that of women commuting from the territories — IS10,000 (US\$240.00) with the additional productivity bonus. Jewish women also work shorter hours, finishing at 2:30, according to Arab women in the same factory.

Wage and Benefit Discrimination

Even more galling for workers from the territories is that they pay taxes and contributions deducted from their pay cheques for social benefits that they don't receive. For example, they pay into the Histadrut health fund but there are no Histadrut clinics in the occupied territories. While they pay Israeli taxes which go towards the provision of social services in Israel, the Israeli administration of the territories is notoriously reluctant to provide basic amenities with the exception of the deluxe facilities available to the settlements. Another example of this is the absence of child allowances in the territories even while large numbers of residents are paying taxes which ultimately go towards the provision of these social services for Israeli children.

Indeed, within Israel, Arab citizens are fighting a battle to receive equal child benefits with Jewish citizens — the catch there being that one has to be an army veteran or a student of the Jewish religion to qualify for full benefits — which automatically disqualifies Arab children because their fathers are not allowed to and don't want to be recruited into the Zionist army.

Members of the Women's Work Committee in Dheisheh camp estimate that some three-quarters of the women who can work are working outside the home. A full third of these are estimated as working in factories inside Israel so this discrimination is a major concern for Palestinian women. Yet remaining within the confines of the territories also has severe problems for a Palestinian woman who wants to earn a decent wage. Although they avoid discrimination between Jews and Arabs, they are still forced to accept substantially less than male workers inside the territories. Indeed it is often noted that the large pool of cheap female labour is all that is keeping many of the outdated factories in the occupied territories from going under in the face of Israeli competition. Many men will simply commute to Israel but in the overall sense women are less mobile and thus more open to exploitation. According to informed sources, a substantial sector of the female factory work force on the West Bank is only taking home IS150-200 (US\$4.75) a day. Many take less. This is barely enough to cover food and bus fare as the Israeli economy has also extended its high cost of living and unparalleled inflation rate to the occupied territories.

The discrepancy between the wages men and women receive for the same work is large throughout the occupied territories. The following case is an example of the general situation. Siham is a supervisor in a clothing factory on the West Bank. There are 50 employees (a big factory by West Bank standards); 35 women and 15 men. Siham receives JD85 (US\$246.00) a month after over 10 years experience; she considers it poor compensation for a six day week, but a lot better than what many women earn. Her big complaint is that she earns less than men with less experience: "I replaced a man in the job I'm doing now but I get a full JD50 (US\$145.00)

less than he did. I even trained a man and he is responsible to me but he gets JD45 (US\$130.50) more a month than I do. I've complained but the owner just ignores me, he says a man has more responsibilities than a woman."

Another case, this time only affecting Israeli citizens, highlights the widespread attitude in all parts of Israel and the territories towards the value of women's labour. A young worker described to me a situation in the Kitane factory in Beit Shan, inside the 'green line'. All the employees who worked there manufacturing curtains were Israeli citizens, half were Arabs with Israeli citizenship. Men and women, both Arabs and Jews, worked side by side at the same machines but it was commonplace that wages for Jewish men were the highest, followed by Palestinian men, then Jewish women and finally, at the bottom of the heap once again - Palestinian women. As one worker described the situation: 'They worked side by side and the Arab girls would get so angry when they compared their pay cheques with those the Jewish girls received. The Histadrut said it was based on differences in productivity but that wasn't true. The owner said that we were villagers and it didn't cost us as much to live but they were living in a town the same size as ours. When you asked the Jewish workers why, they said it was because we were the B workers and they were the A workers. They said it jokingly and I don't blame them for the differences, I know they don't decide wages. Some of them stood up for us sometimes which was good.' There are no longer any Arabs from Israel working at this particular factory. Following a series of labour disputes led by Palestinians, and at the insistence of the predominantly Jewish workers' council of the Histadrut, it was decided that rather than bus in Arab villagers, the unemployed locals, all Jewish, should have priority.

Such blatant discrimination is taken for granted by Palestinian workers. They laughed at the naivete of my question when I asked them why they didn't complain to the Histadrut. They are hired through the Israeli-run labour exchanges which are supposed to protect them, as indeed is the Histadrut, although they are not members. In practice, however, neither the Histadrut nor the labour exchanges protect workers from the territories from discriminatory practices.

The normal reaction of workers to blatant discrimination in the work place is to exert pressure on the government and to unionise, but for Palestinian women workers from the territories, — this is not a straightforward option. Exploited as Palestinians, as women and as workers, they confront a morass of controls which hamper their ability to organise — as indeed do Palestinian men.

Repression of Trade Unions

In general, Arab trade unions are still in their infancy. They do have thousands of members, overwhelmingly men, both inside Israel and in the territories, but they are actively repressed. The Israeli authorities, ever concerned about the influence of national organisations among Palestinians, exert very tight controls over trade unions on the West Bank and Gaza Strip. To do so they utilise both the trade union restrictions enshrined in Egyptian and Jordanian laws in addition to highly repressive military orders designed to remove nationalists from the leadership of the unions.

The trade union movement has had close contacts with the growing Palestinian women's movement, which since the late '70s has been deeply concerned with the plight of Palestinian women workers. The emphasis of both the Working Womens' Committees and the Women's Work Committees has been the establishment of local committees in the camps and villages to organise women to protect both their political and economic rights while working towards combatting traditions which restrict the ability of women to realise their full potential as equal members of Palestinian society.

Fadwa Labadi, the head of the Women's Work Committees in the West Bank sees part of the role of her organisation as helping women to become involved with the trade unions in their workplace. "It's a very big problem, although they are bused back and forth to work in company buses, it's an entirely different thing to go in the afternoon to a union meeting where there are men present. Women workers are isolated. Even if the family allows her to, she's tired with the double burden of house work and child care. The role of the Women's Work Committees is to provide a bridge between the women and the unions by

providing information on their rights in cooperation with the unions and to give them union applications and represent them at the union level."

The Working Women's Committees of the West Bank and Gaza Strip do very similar work, attempting to raise the general economic and social awareness of women workers through everything from literacy classes to lecturers on workers' rights. The head of the Working Women's Committees in Ramallah-al-Bireh doesn't underestimate the difficulties of involving women who have never joined any social organisation outside their family: "The process needs a lot of patience. Maybe a year, maybe a month. It's difficult because they're afraid sometimes of being fired for joining the committee. We have trouble getting into some factories. But still our membership is growing rapidly as women realise we can help them."

Among Palestinian women there is a great deal of enthusiasm about belonging to the committees once they become involved. Alice Deeb, a housekeeper at the American Colony Hotel in Jerusalem, is content with her job. She receives about US\$500.00 a month which is a good wage for a Palestinian woman, even with the 20 years experience which she has had at the hotel. She joined the Working Women's Committees because, 'The women here (on the West Bank), no one cares about them or looks after their interests. I get more respect as a member of the committee and that's important.'

It would be wishful thinking to see the time when all Palestinian women workers will be involved in a strengthened trade union movement as just around the corner. For the time being, most of the active members of these committees are teachers, nurses and other educated women. It is difficult to reach out to and organise Palestinian women workers, whether they work inside the 'green line' or in the occupied territories, whether they are Israeli citizens or not. Their general lack of education and practical social experience outside the family, in addition to their restricted mobility as compared to men, lays them open to gross exploitation by employers, whether Arab or Israeli.

It is difficult to foresee a change in the position of women workers without a far stronger trade union movement willing to confront discrimination against women workers, in the context of a government policy aimed at correcting the current discriminatory practices affecting Palestinian workers in general and women in particular. The current policy of the Israeli government aims at containing the growth of the trade union movement while encouraging the supply of cheap labour for Israeli-interest-linked development. The prognosis for a radically improved position for Palestinian women workers is linked, not surprisingly, to a radical change in the political economy.

CSO: 4400/385

STRUCTURE OF ISRAELI AIRCRAFT INDUSTRY SURVEYED

Paris AVIATION MAGAZINE INTERNATIONAL in French 15 May-14 Jun 83 pp 141, 143

[Article: "Israel: Independence and Ambitions"]

[Text] Israel is generally considered as a special country by world public opinion. Whether this view has substance or not, the fact remains that its aerospace industry, born of the necessity to provide it a certain degree of national dependence in the military sector, has evidenced in the past few years a degree of dynamism promising to be a strong potential competitor of the traditional exporting countries.

The Israeli aeronautical industry whose weapons exports totaled some \$1 billion in 1980 consists of two enterprises. The major one is Israel Aircraft Industries (IAI) with personnel numbering 22,000 and whose sales totaled \$600 million in 1980 (of which \$320 million was for export).

Israel Aircraft Industries has five divisions:

Bedek Aviation (3,500 personnel): This division's activities include the modification of airframes, engines, and equipment as well as the revamping, maintenance, and testing of 30 types of aircraft (Boeing 707, 720, 737 and DC-8, etc.) and of nearly as many engines. Too, it is Bedek Aviation which gives technical assistance to several aircraft companies and which improved, by modifying it, the Fouga Magister plane of the Israeli Air Force [Amit].

Aircraft Manufacturing: This division is charged with producing the following four aircraft: 1. The four versions of the ADAC Arava twin-engine turboprop which, since 1972, has been marketed not only in Israel but also in South America and Central America; 2. The Westwind-1 and Westwind-2 as well as the naval reconnaissance version (Sea Scan). The division's rate of production is five planes a month; 3. The Westwind 1125 Astra now being developed jointly with the Atlantic Aviation Company which represents IAI in North America. The initial flight of this aircraft designed to carry four passengers at a speed of Mach 0.72 over a range of 6,000 km will take place at the end of 1983; 4. The Kfir combat plane built from a Mirage-5 airframe and a GE [General Electric] J-79 engine. This plane is still in production. At least 250 Kfirs have been

built to date. Several countries of South America have taken an interest in the plane including Colombia, which has ordered 12 of them. The two-seater TC-2 Kfir version is also under production.

Engineering [(2,500 personnel): This division is in some way the research office of the IAI. The preliminary studies of the future single-seater single-jet Lavi combat aircraft are contracted to this division. The Lavi is intended to replace the Skyhawk and Kfir aircraft of the Israeli Air Force by around the end of the decade. Equipped with a PW [Pratt and Whitney] 1120 jet engine and a delta wing, this highly maneuverable fighter-bomber is also designed in a two-seater version to succeed the Skyhawk (training plane). The aircraft's initial flight is scheduled for the fall of 1985 and for an assembly run in 1990, the needs of the Israeli Air Force being estimated at about 300 planes. In order to execute this operation there is talk of possible cooperation with an American firm such as McDonnell Douglas or General Dynamics.

Electronics: This division is made up by the Elta, MBT Weapons Systems, Taman Precision Instruments, and MLM Systems Engineering and Integration group. As its name indicates, the Electronics Division specializes in all types of electronics operations. This is the division which designed the various versions of the Gabriel sea-to-sea missile (including the Gabriel-3 with radar and electro-optical guidance). It is to be noted that the Elta EL/M-2021-B (Doppler multimodal) radar designed for the Israeli F-16 aircraft will probably be mounted on the Lavi planes.

Combined Technologies: This division is charged with developing and producing various types of equipment (hydraulic, booster controls) as well as producing composite materials and special alloys.

Bet Shemesh Engines

To give its aeronautical industry more coherence, the Israeli Government, in the course of the last few years, assumed total control of the Bet Shemesh Engines company (1,300 personnel) some of whose capital was, until then, held by Josphe Szydlowski, president-director general of [France's] Turbomeca.

Established in 1969, Bet Shemesh Engines first produced engine parts for Turbomeca. Today it is turning out components of the Marbore-2, the Artouste-2 and Artouste-3, Turmo-2, Astazou-2, Pratt and Whitney F-100, and [General Electric] J-79 in their near-totality. It is Bet Shemesh Engines which is to produce part of the PW-1120 to be used on the Lavi plane.

. . . and Rafael

The Rafael Armament Development Authority placed under the direct authority of Israel's Ministry of Defense produces the Shafrir air-to-air and the Luz air-to-ground missiles. The Luz missile's Mk-3 version is now being developed as is the Python-3 air-to-air missile which could be operational within 2 or 3 years.

PHOTO CAPTIONS

1. p. 141. The Kfir twin-seater, single-engine combat aircraft built by Israeli industry from a Mirage-5 airframe and a General Electric J-79 engine.
2. p. 143. The Israeli Aircraft Industries IAI-1124-A Westwind-2 business aircraft equipped with two Garrett TFE-731 engines with a thrust of 1,680 kg each.
3. p. 143. The Israeli Aircraft Industries small twin-turboprop Arava transport plane IAI of the 200 series. It is equipped with two Pratt and Whitney PW-PT6A engines with a thrust of 750 horsepower each.

2662

CS0: 4419/18

OIL SHALE PILOT PLANT INAUGURATED

Haifa INNOVATION in English No 90, May 83 pp 1, 2

[Text]

The inauguration of a new pilot plant and laboratory complex this month marks a great step forward in Israel's effort to develop its own integrated technology for the utilization of oil shales. The new facility, located not far from Arad in the Northern Negev, was built and will be operated by PAMA (Energy Resources Development) Ltd. That company was established in 1981 by Israel's leading mineral extraction, refining and fuel distribution companies and charged with the conduct of an extensive oil shale R&D program.

Although it is located in the heart of the oil rich Middle East, Israel's extensive prospecting activities have so far only yielded disappointing results. Most geologists say the petroleum "should be there", but at this time that is an expression of hope, rather than an established fact.

Thus, when OPEC precipitated its energy crisis a decade ago, this country found itself almost completely dependent on imported oil, much of it from Middle Eastern states not known for their friendly attitude toward Israel. That was an intolerable situation, and great efforts have been made ever since to reduce that dependence. Supply contracts were signed with producers outside the Middle East, new generating plants were built with a coal burning capability and great efforts have been exerted to develop alternate energy sources.

Since prospecting activity in this country has so far found only little oil, and no coal at all, but did locate extensive shale reserves, research toward the utilization of that material is a "natural". Until now Israel geologists have located some ten billion tons of such stone permeated with organic matter;

although it tends to be leaner than similar minerals found elsewhere — its content of combustibles averages about 14% — that represents a potential equivalent on the order of more than a billion tons of oil, enough to cover Israel's fuel consumption for many years.

The only trouble is, of course, that as yet nobody knows precisely how all that potential wealth can be realized. Although programs toward the development of an oil shale utilization technology are under way in many countries, there still is no single knowhow package, economically and technically viable, which Israel could buy.

Studies have also demonstrated that it probably never will be practical to import such a technology package as a whole. The shales in this country differ sufficiently from those found elsewhere, to make an independent R&D effort essential.

Such a program is now being carried out by PAMA Ltd., which represents a commitment on the part of Israel industry and government to the development of alternate fuel resources. The company bases its efforts, as far as practical, on development work already completed by others and seeks to adapt its results to its own specific needs.

The large sums of money needed for this purpose have been assured, from the company's share holders and from the public treasury. Those allocations — they are likely to amount to well over \$ 100m. over the next five years — are justified, for strategic and also for purely economic reasons. Without significant fuel resources of its own, Israel now must cover its energy requirements by importing. That is a costly proposition: the national fuel bill is the heaviest single drain on the balance of payments, accounting for most of the

CSO: 4400/390

NEW AUDIOVISUAL COMMUNICATIONS SYSTEM DEVELOPED

Haifa INNOVATION in English No 90, May 83 pp 3, 4

[Text]

Tel Aviv — A computerized telephone and data communications system that incorporates both voice and visual capabilities is now under development by Tadiran, according to reports in the local press. Tadiran is one of this country's most important electronics firms, with large exports of military and civilian communications systems to its credit.

The new development is said to include a computerized switchboard, capable of linking an unspecified, but certainly large number of extensions. Each of those will consist of an ordinary telephone set, and also of a screen for the reception of "electronic mail", written information and graphic data. It is not clear, from information now available, whether any or all of the system's extensions are to be equipped with video cameras, for "face-to-face" conversations.

The equipment can also be entrusted with tasks not usually associated with telephones, such as control of space heating and air conditioning equipment and, perhaps, also with certain safety

and security functions. That could include anti-intrusion alarms, heat and smoke sensors and the like.

The system now being developed by Tadiran's R&D team is intended to answer the needs of large business and administrative organizations, where rapid and reliable internal communications are of increasing importance. Its capabilities will include many convenient and time saving features, such as conference calls, "follow me" functions and various recording capabilities.

Meanwhile Tadiran continues to market its highly sophisticated Tadex private intelligent switchboards (see *INNOVATION* 44, July 1979). Since they were first introduced, about three years ago, some 8,000 units have been sold, about 80% of that to customers outside of Israel. The company has also agreed to provide knowhow for the production of Tadex systems to firms in Venezuela and South Africa.

CSO: 4400/390

DOLINSKY, HEAD OF GOVERNMENT PRESS OFFICE, DESCRIBED

Tel Aviv NEWSVIEW in English No 22, 7 Jun 83 pp 24, 25

[Article by Jennifer Frey]

[Text]

He started "like everyone else," he says, "on the Lower East Side." Born in Harlem at the end of its Jewish era and brought up in Washington Heights, New York, Morton Dolinsky, 53, today is running Israel's Government Press Office (GPO) in Jerusalem whose task it is to meet the needs of the hundreds of local and foreign journalists either stationed in or passing through the country.

Only the sixth man to hold the title of GPO director in the state's 35 years, Dolinsky took charge November 1, 1982, when Ze'ev Chafets took a leave of absence from the post. Just six months into his position, Dolinsky has initiated some changes of his own. This includes a series of "study days" during which government officials, various spokesmen and journalists present guest lectures to the staff. In the coming year Dolinsky also expects to double the number of visiting foreign journalists from eight groups yearly to 16.

New Style

But despite extensive professional experience and the innovations he has brought to the job, Dolinsky caught some bad press, the latest of which was an article last month in the Hebrew daily, *Ha'aretz*, entitled: "Waiting for Chafets." The story, written by Eli Cohen, described Dolinsky as a "sympathetic . . . excellent public relations man" but "unsuitable" for the position. Comparing Dolinsky to his predecessor, he is reported to be more passive, not as well-informed or well-connected and on cooler terms with his staff and the journalists. The 41 employees of the GPO are, therefore, "waiting" for Chafets to return, Cohen wrote.

Dolinsky's style is undeniably different from his predecessor's. But, "It takes years for a director to develop a fruitful relationship with his staff," says one GPO source. "In the early months there are always difficulties in getting to know one another."

"Admittedly Dolinsky started on the wrong foot," says Ya'acov Sa'ar, director of the photography department at the GPO. Sa'ar points to Dolinsky's office redecoration in which he replaced photographs of the Camp David peace negotiations with scenes of Jerusalem. While Dolinsky insists that the "glaring colors (of the photos) were atrocious to look at," some journalists felt the gesture had political overtones.

Sa'ar also notes that Dolinsky's past connection with extremist Rabbi Meir Kahane, which was immediately seized upon by the local press last winter, also did little to help his image. On this issue, Dolinsky adamantly defends himself.

"I'm philosophically opposed to Kahane's Kach movement," he says. "If our borders are wide enough, there's room for everyone. I'm not interested in throwing the Arabs out." Dolinsky admits to advising Kahane when he was defending the rights of Jewish teachers in New York some 15 years ago, but denies any connection with Kach in Israel.

Despite a rough beginning, Sa'ar maintains, "It's impossible to judge someone after just a few months at the job."

Dolinsky is a long-time member of the Herut party — one of the components of the ruling Likud coalition — reared in

the Betar youth movement, and is a former resident of the new West Bank settlement Tekoa. He also wears a *kippa* (skull-cap) — “enough in itself to antagonize the more left-wing Israeli press,” Dolinsky explains. Indeed, some journalists seem to pass judgment on Dolinsky before putting him to the test.

A Tough Act To Follow

If the press were happy with him all the time, Dolinsky feels, he would be doing something wrong. His position, he stresses, requires a delicate balance between serving his employer, the government, and serving the press — two factions which often find themselves at odds with one another. To this end, he seems to be doing a good job.

“His commitment to Zionism and the government’s settlement policy makes it easier for him to explain the government’s point of view,” says Steve Leibowitz, deputy director of the GPO’s division for visiting journalists. “And he is as objective as is possible.” Says another GPO employee: “It’s not that we’re against Dolinsky, but we do feel that Chafetz is the best man for the job.” No doubt Chafetz is a tough act to follow.

A prominent foreign journalist who prefers that his name not be mentioned says: “I never met any P.R. man or spokesman who had as uncanny a perception of the way the world press operates and who could explain Israel’s position as eloquently as Chafetz.”

Yet other factors — not based only on professional performance — may account for Chafetz’s tremendous popularity at any successor’s expense. At age 35, Chafetz was more of a contemporary with his staff and many journalists as well, cultivating close relationships while talking politics or baseball over a beer at the local pub. Chafetz, also, is from the Liberal party faction of the Likud, more palatable to the mainstream of foreign journalists than a Herutnik. “Let’s face it,” says one 34-year-old reporter, “Dolinsky just isn’t a rock star.” (Chafetz wrote the lyrics to one of singer Danny Sanderson’s pop hits last spring.)

Although Cohen claims in his *Ha’aretz* article that journalists seek out Dolinsky less than they did Chafetz, his door is wide open. “He’s always willing to meet with visiting journalists from the most important to the least,” says Leibowitz.

“Dolinsky is dedicated, works long hours . . . and has spent his entire adult life working as a professional P.R. man for the good image of Israel.”

Dolinsky sees his role as that of “explaining the government’s point of view to journalists whose background in the Middle East is minimal and who frequently come with their minds already made up.” To do this effectively, he believes that one must be first a public relations man.

In Eli Cohen’s *Ha’aretz* article on Dolinsky, he concludes with the thought that Dolinsky’s success ultimately will be measured by how much he can increase the importance and prestige of his operation in the government’s eyes, especially *vis-a-vis* the prime minister’s office under whose aegis he works and which determines his budget. In this connection, Dolinsky notes that, unlike other government offices, his budget has not been cut and that chances for getting an increase for the coming fiscal year are good. In addition, he notes, office director Mattityahu Shmuelewitz has proved to be very P.R. conscious and is especially cooperative when it comes to meeting with and briefing the foreign press, more so than with many other top government officials.

Dolinsky handled P.R. for Yeshiva University in New York; in Israel, for Bar Ilan University and the Technion in Haifa. During the 1960s, Dolinsky opened his own firm in New York, F.L. Bacon and Company, which advised political candidates and pioneered the first Black gospel TV program in the U.S. He has also taught P.R. at Haifa University; served as senior advisor to Rafael Kotlowitz, head of the aliyah department of the Jewish Agency — the post from which he is now on leave; and was elected Israel’s representative to the International Public Relations Association (IPRA) based in Geneva.

Presenting Both Sides

His first job in Israel was at the GPO, as its photography editor. He also did a stint as a newspaperman, including co-editing, with New York *Daily News* correspondent Joseph Fried of the *Israel Star*, an English-language weekly published in Tel Aviv in the late 1960s.

The purely P.R. man has a bad name, but unjustifiably so, according to Dolin-

sky. "He can't be a con man because it won't work . . . he won't be believable." He professes to present both sides of an issue when briefing journalists, an assertion with which Leibowitz and others concur.

Dolinsky's religious education began at the age of six when his parents opened a *yeshiva* (Torah academy) for just five children. Later on he graduated from Yeshiva University with a degree in religious education while simultaneously studying international relations at the City College of New York. Today Dolinsky shirks categorizing his religious observance. "There are just those who observe the commandments to a smaller or greater degree," he says.

Dolinsky married and made aliyah in 1956 at the age of 26. He has five children, four of whom — including a daughter — served in the Golani and Nahal fighting units of the army. Dolinsky himself spent most of his army career as

a truck driver in a bomb disposal unit.

Walking along the stone paths of the Jewish Quarter in Jerusalem's Old City toward his new home, Dolinsky exclaims: "We are privileged to have the 97500 zip code — that of the Old City. We're one of maybe 500 (Jews). It's a dream of centuries."

The living room of his new apartment has high, vaulted Arab ceilings, and is filled with his wife's etchings. From his roof, the golden dome of the Mosque of Omar is visible just 300 yards away. Pointing to a shelf lined with volumes of the Talmud, Dolinsky says he plans to bring them to the office in order to grab a moment of reading between appointments. Studying the Talmud "gives a historical perspective which we need in order to understand the country's values, Jewish life and what makes it tick," Dolinsky concludes.

Jennifer Frey

CSO: 4400/389

FAILURE TO INTRODUCE DAYLIGHT SAVINGS TIME SAID TO BE HARMFUL

Jerusalem THE JERUSALEM POST in English 16 May 83 p 3

[Article by Ya'acov Friedler]

[Text]

HAIFA. — "The failure to introduce daylight saving time (summer time) causes harm to the nation's health, the head of the Technion's diagnostics sleep laboratory, Professor Peretz Lavie, told *The Jerusalem Post* yesterday.

He considered it "most important" to adapt sleep and waking habits to the length of day and night. In summer the sun rises as early as 5 a.m., and as most Israelis keep their shutters open for ventilation, the light and heat wakes them nearly two hours before they need to get up, he said.

On the other hand, they go to bed as usual, after television closes down, "so most suffer a one to two hour sleep lag every day," he stated.

The loss of sleep raises tensions, causes headaches and makes people more prone to accidents. If summer time were introduced, they would go to bed earlier and wake up when they need to, putting their sleep balance on even keel, noted Lavie.

Referring to the statement by Interior Minister Yosef Burg on television last year, when he was explaining his decision not to put the clock forward by quoting a study in his possession which showed summer time to be bad for health, Lavie said "I know personally every researcher in this field and none of them has made such a report". Nor had Burg yet produced it to be checked, he added.

As a member of the executive committee of the American Sleep Research Society, the professor was conversant with all sleep research "and not one has indicated health damage."

But if Burg had information the experts lacked, Lavie said, the minister should protect his cabinet colleagues by not allowing them to go abroad in summer, as there they have to put their watches forward to bring them in line with summer time abroad "and thus expose themselves to health hazards."

CSO: 4400/384

BRIEFS

MONITORING INTERNATIONAL CALLS--Israel's military censor does not listen in on calls made by foreign journalists within Israel and the reports about monitoring foreign journalists refer to international calls only. This was clarified yesterday by the chief military censor, Brig Gen Yitzhak Shani, in response to a question from one of the participants in a workshop on modes of communication in times of war and during post-war periods. The conference ended yesterday in Jerusalem. Brigadier General Shani, with IDF spokesman Brig Gen Ya'akov Evan, Prof Dina Goren of Tel Aviv University, and British journalist Michael Nicholson, participated in a discussion on censorship in democratic countries. The moderator was a former manager of the journalists association, Ze'ev Hafetz. The military censor clarified that monitoring in Israel is conducted according to the law and that every foreign journalist is so informed and signs a declaration indicating that he understands the laws of censorship. Brig Gen Ya'akov Evan revealed that before the start of the war in Lebanon, he received instructions to create a news black-out and therefore foreign journalists were not allowed to enter Lebanese territory during the first 5 days of the war. PLO reports to Syria that they were surprised by the Israeli attack prove, according to Evan, that the decision was justified. He added, however, that in the long run, opening the Lebanese border after 5 days did not add credibility to reports from networks which continued attacking Israel's position. [Text] [Tel Aviv MA'ARIV in Hebrew 5 May 83 p 2] 9811

OIL DRILLING NEAR READING--The firms of "Delek" and "Delek Oil Exploration," and the foreign firm "King David" ("Kidur") will in the near future begin drilling for oil north of the Reading power station in Tel Aviv. The start of drilling was postponed when it became known that the area given to them had also been granted to the government firm of Hana. The drilling is planned within the framework of Delek's program for the current fiscal year. Also during this fiscal year, Delek Oil Exploration plans to participate in and initiate drillings in the Negev region, "Gurim 4" (Nir Oz) and to examine the possibility of natural gas south of the Dead Sea. The firm plans two rigs in the Haletz area--"Karmon 3" and "Star 26"--the goal being to find additional oil reserves in Israel's first oil field. [Text] [Tel Aviv MA'ARIV in Hebrew 5 May 83 p 10] 9811

REDUCTIONS IN DEFENSE SPENDING--Following the budgetary developments created by the IDF's prolonged stay in Lebanon and the "Lavi" project, the Defense Department's orders to the Israel Military Industries have been significantly reduced. Conservative estimates show that reductions in orders to private and governmental defense industries amount to around \$200 million. Minister of Defense Moshe Arens recently heard about the possible implications of these cutbacks during a meeting with a delegation from the industrialists union. MK Yosef Rom, a member of the Knesset Defense and Foreign Affairs Committee, said: "If we don't want to destroy local industry, we may have to refrain from using part of the monies from American aid to purchase weapons and equipment from the United States which was previously provided to the IDF by Israel's own defense industries. The United States will have to find the way," MK Rom added, "to allow for part of the aid dollars earmarked for purchases from the United States, to be used for local subsidies to purchase equipment needed by the IDF." [Text] [Tel Aviv MA'ARIV in Hebrew 6 May 83 pp 1, 11] 9811

RECORD TRADE WITH BRITAIN--Jerusalem--Trade between Israel and the United Kingdom reached record levels in 1982, in spite of difficult market conditions in that country. Further growth is expected in the course of 1983. Israel's purchases from Britain stood at 244 million pounds sterling, exceeded by exports to that country by a margin of just over 30 million pounds. Sales to the UK gained 8 percent, while purchases from that area increased by more than 15 percent. Some Israel exports, such as those of fresh citrus fruit, depend heavily on traditional ties. However, other lines were developed much more recently, such as exports of quality men's wear and of electronic instrumentation. [Text] [Haifa ISRAEL BUSINESS in English No 383, Jun 83 p 6]

FUEL CONSUMPTION FORECASTS--A forecast by the experts of the Ministry of Energy and Infrastructure suggests that Israel's energy consumption will continue to rise by about 5 percent a year, until the end of this decade. That will bring total consumption in 1990, they predict, to the equivalent of about 12.25 million tons annually. During the first part of this period, until about 1985, the increase in energy consumption probably will exceed expansion of the gross national product. That, the report assumes, will rise by 3 percent in 1983, 4.3 percent annually thereafter, and by 5.5 percent annually during the latter half of the 1980s. The above consumption forecasts are expressed in tons of oil equivalent, but that does not imply Israel will remain dependent on that type of fuel alone. Until last year, the heavy fuel oil used in the generation of electric power accounted for some 28 percent of the total national fuel consumption; by 1990, that is expected to drop to no more than 7 percent of the total, due almost entirely to the ongoing switch of the Electric Corporation's generating stations to coal. Economists here predict that the average price of all fuels will rise, between now and 1990, by about 1 percent a year, in real terms. The ongoing shift from oil to coal, however, will lower domestic electricity rates by about 1.2 percent annually, also in real terms. [Text] [Haifa ISRAEL BUSINESS in English No 382, May 83 p 4]

CSO: 4400/390

BRIEFS

AID TO LESS DEVELOPED COUNTRIES--The Kuwait Fund for Arab Economic Development (KFAED) has adequate money to assist the least developed countries, with priority going to projects dealing with food supplies and agriculture, infrastructure, transport, power generation and telecommunications, KFAED Director General Faisal al-Khaled declared last week. In an interview with the OPEC news agency in Vienna, Mr Khaled added that "so far, the Kuwait Fund has managed to sustain its operations and would continue to operate at the level attained if there is no deterioration in the oil market... We will be in a position, through our financial structure to continue our operation as we will work on a cash flow basis." Mr Khaled said he was "mostly interested" in the least developed countries as recipients for aid, recalling that the Fund had always shown its concern for "least developed and most seriously affected" countries, regardless of their geographical location. Newly industrialised countries were of lesser interest in the Fund, he said, because they had access to loans from commercial banks, although they now had mounting debts. "I do not want to be a saviour of the American bankers," Mr Khaled declared. The head of the Kuwaiti Fund was critical, however, of the attitudes of some poor countries. Some of them tended to opt for projects that would take a long time to complete and others were unable to present viable schemes, he said; he called for a more serious approach by developing countries to the "utilisation and direction of resources" to ensure more productive results. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English No 23, 6 Jun 83 p 9]

CSO: 4400/381

SAUDI ARABIA

BUDGET CHANGES DISCUSSED, AUSTERITY MEASURES DENIED

London AL-HAWADITH in Arabic No 1385, 20 May 83 pp 69-70

[Interview with Dr Sulayman al-Salim, minister of trade by W.D.: "Saudi Arabia's Minister of Trade Tells AL-HAWADITH, 'Measures against Lebanese Products To Be Abandoned When Israel's Occupation of Lebanon Ends;' Unrest in the World Oil Market Required Reduction of the Budget; Statements about Austerity Are Irrelevant;" in Tunisia]

[Text] The wave of Arab, particularly Gulf investments, in Tunisia has grown by about 35 percent this year. Arab investments are likely to grow with the growth in tourist activity and in commercial and economic exchange between Tunisia and the countries of the region.

Saudi projects are at the forefront of these investments which include most of the principal sectors in the country. There are also Kuwaiti, Qatari and other investments.

To stimulate this growing activity the Kingdom of Saudi Arabia had offered Tunisia several loans last month amounting to about 66 million riyals. Among these loans was one to finance a project that has to do with fishing in Tunisia. Another loan was offered to contribute to the cost of economic and technical studies that have to do with what is needed to set up the foundations for an industrial complex that includes an oil refinery, a steel plant, a chemical plant and a power generating plant. The loans granted so far by the Saudi Development Fund to Tunisia, including these two loans, amount to more than 800 million riyals.

Saudi Arabia's minister of trade, Dr Sulayman al-Salim had visited Tunisia recently to conduct talks with Tunisian officials about how trade relations between the two countries could be developed. While in Tunisia the minister saw the inauguration of a number of vital projects that come under the framework of commercial and economic cooperation between Tunisia and the kingdom. AL-HAWADITH met the minister and interviewed him. The interview dealt with the scope of the development that occurred in those relations; and it dealt with the kingdom's other relations with the remaining countries of the world and with the effect of the general budget in the kingdom on commercial, economic and monetary activity in general. In his discussion about Lebanon Dr al-Salim said that the decision to restrict the entry of some Lebanese goods into Saudi Arabia was still in effect and that it was awaiting the end of the crisis of the withdrawal [of foreign troops from Lebanon].

The text of the interview follows.

[Question] What is your evaluation of the trade situation between the Kingdom of Saudi Arabia and Tunisia?

[Answer] There are no trade relations of significant importance between the Kingdom of Saudi Arabia and Tunisia as far as exports and imports are concerned. However, there are ongoing areas in which these relations can be developed by making Tunisian products known in the Saudi market. [I am thinking] in particular of quality Tunisian products such as textiles and electronics, which this country has begun turning to recently. These industries are encountering difficulties in exporting their products. I believe, however, that Tunisia can look for the strong points in its products so it can conquer the Saudi market, which is an open and a highly competitive market.

The other significant areas are those of tourism and joint Saudi-Tunisian investments. Thousands of Tunisians go to the kingdom to perform the rituals of the minor pilgrimage, and a large number of Saudis go to Tunisia to spend their vacations. This is mutually beneficial for both countries.

[Question] Some experts thought that the Saudi government adopted a limited austerity policy in this year's budget because some of the kingdom's revenues have dropped. To what extent is this true, and what is its effect on the commercial and economic sector in general?

[Answer] I would not call the principle that was followed in the new budget an austere principle. Basic goods are still sold in the kingdom at prices that are lower than the prices for which they were sold more than 10 years ago. The kingdom is still in a position of not having to levy any taxes on citizens other than the alms tax which companies pay. The kingdom is still in a position of not imposing customs fees on more than 50 percent of the goods that are imported from abroad. Customs fees for the other half of the imported goods do not exceed 3 percent; they are about 20 percent for a very small group of goods.

The inflation rate in the Kingdom of Saudi Arabia is the envy of most countries of the world: it is less than four percent. Would you call what was set forth in the budget this year austere? Furthermore, all real estate, industrial or agricultural loan programs are continuing to operate: they are offering loans and receiving payments on loans already made. Therefore, I would not call our budget this year an austere budget.

[Question] Economists are convinced that the oil market at the present time is unreliable. How is the Kingdom of Saudi Arabia coping with this reality of the oil market?

[Answer] This is true. When King Fahd presented the budget to the Council of Ministers, he did not hesitate to mention in his address to the council the unstable conditions of the oil market. This is being taken into account. As a state we have to maintain for ourselves a reserve for reasonable periods of time, and we have to reconsider providing what can be provided without overburdening Saudi citizens living on fixed incomes.

[Question] Have the unstable conditions of the oil market affected the implementation of the development plan?

[Answer] I don't believe so. If matters were taken in general, we would find that in some aspects of the plan we are ahead of the set schedule for the completion of many programs. Therefore I believe that by the end of this plan we will find that we have achieved most if not all of the plan's objectives. Fortunately, all these new conditions in the oil market came about after we had almost completed all the basic furnishings. Some people were blaming the kingdom and describing its development programs as hasty. But let's assume that we had not undertaken these development programs with the required force and were faced with this situation in the oil market that we are seeing now, don't you believe that we would have been facing a difficult situation in which we would not have accomplished what we have been able to accomplish? We suffered from several problems in the beginning, but we were able to solve them and we went ahead with the completion of our development programs. It is now the turn of businessmen and the private sector to turn towards development programs and to take part in realizing the largest number of such projects. Today if you find in Tunisia a number of Saudis who are taking part in industrial and tourist programs in that country, that is certain evidence of the fact that they are making a contribution to the implementation of development programs and plans.

[Question] Some people think that the reason for the growth of Saudi investments abroad is the decline that is occurring in the general budget. In your opinion, is this true?

[Answer] Such investments abroad indicate that Saudi businessmen have huge surpluses which allow them to invest outside the kingdom.

[Question] Does the government encourage them to make such investments?

[Answer] We do not encourage the private sector and businessmen to invest abroad. At the same time we do not object when they do. All that we do is provide incentives for Saudi businessmen to invest in the country.

[Question] To what extent can it be said that the budget has affected the rates of commercial growth in general?

[Answer] The effect on trade in the current year will be determined by the country's needs. If we've completed the basic furnishings, our needs for construction materials will be less, and we may import less construction materials than we did last year, particularly since local production in our factories has risen. As far as imports in general are concerned, this, as we know, is up to the private sector which supplies the needs of the market with regard to resident citizens, pilgrims, non-Saudi workers or others. But as far as trade is concerned, we will find more competition; we will find a kind of streamlining of the ranks; and we will find an increase in specialization.

[Question] We are noticing an obvious increase in Saudi Arabia's local production of a number of basic goods. What ratio of foreign imports is covered by this increase?

[Answer] We are continuing our expansion of agricultural and industrial production. In farming, if we were to look at successive increases in wheat production, it would not surprise me if we were to find ourselves at the end of this year providing almost two thirds of our general needs in wheat. We may be able to meet all our needs next year. The same is true regarding vegetables whose production has been expanded at a tremendous rate. In industry you will notice much expansion in the cement industry, in the production of air conditioning units and in the production of other essential materials.

[Question] The subject of foreign workers has been and continues to be a topic of ongoing debate in the kingdom and in the remaining countries of the region. Will the kingdom continue to rely in the future on this large number of foreign workers, or is there an opposite trend nowadays?

[Answer] Some workers will continue to work in the kingdom because we need them. However, with the introduction of automation, that need may decline gradually. It is heartwarming that Saudis are becoming interested in some [kinds of] manual labor that require skill. If this trend continues, it will, on the one hand, reduce the need for foreign workers; on the other hand, the completion of basic furnishings will reduce the need for unskilled workers from abroad. Of course there are drawbacks to everything. However, [the problem of] foreign workers developed basically because we needed them. The kingdom benefited from that need just as some people did. It is important to affirm that any situation of this kind is temporary and in time will go away.

[Question] What is the status of the current balance of trade between the Kingdom of Saudi Arabia and the remaining countries of the world?

[Answer] Most of our needs come from the industrial countries, the most important of which, regarding the volume of trade exchange, exports and imports, are Japan and then the United States. They are followed by other European countries like Germany, Britain and Italy. With regard to imports the United States is the foremost source of the kingdom's imports. Last year we imported from the United States goods worth 9 billion dollars.

[Question] To what extent are your trade relations with the countries of the world determined by politics?

[Answer] Politics plays no fundamental role in our trade relations. Politics provides the climate in which these relations are managed; it does not determine those relations.

[Question] Measures taken by the Saudi government restricting the entry of Lebanese goods into the kingdom aroused the worries and fears of the Lebanese people. Are these measures still in effect after the recent communications that were regarded as highly positive and that took place between the two countries?

[Answer] The measures were taken not only to protect the Saudi market from the infiltration of Israeli goods, but also to protect our Lebanese brothers. We took those measures because we were concerned about the survival of trade relations that are based on friendship and fraternity. What actually happened is that we took those measures with regard to a certain kind of goods that one always doubts

may be from Israel. We formed a special committee that went to Lebanon to verify certificates of origin and other essential details. I have much hope that all these measures will be eliminated when Lebanon's crisis comes to an end and Israeli forces leave Lebanese territory.

[Question] Does this mean that these measures will continue in effect if the withdrawal of Israeli troops is delayed or impeded?

[Answer] We maintain careful vigilance to prevent Israeli goods from being stealthily brought into our country. What we are doing in this regard stems from this idea and from our concern that the boycott against Israel be applied in the fullest way.

[Question] What is the status of communications between the countries of the Gulf Cooperation Council regarding the establishment of a Gulf Common Market?

[Answer] The steps that were realized by the Gulf Cooperation Council in this regard have been excellent and encouraging. These began with the elimination of customs fees between the countries of the council. In my judgment the local market will ultimately emerge as a consolidated Gulf market.

8592

CSO: 4404/387

INDUSTRIAL LOANS OVER PAST YEAR EXAMINED

Jiddah SAUDI BUSINESS & ARAB ECONOMIC REPORT in English No 8, 11 Jun 83
pp 11-12

[Article by Devadas Kini]

[Text]

Saudi Industrial Development Fund (SIDF), the major source for non-oil industrial finance in the Kingdom, committed loans amounting to SR1.4 billion for the industrial sector, SR4 billion for electrical utilities and SR7.2 million for cold stores during the 1981-82 fiscal year, bringing the total to SR 40.6 billion in loans committed since 1974, according to the recently released SIDF annual report.

"Since its inception, the fund has approved loans for 724 industrial projects, involving commitments of more than SR9.5 billion," according to Muhammad Aba Al-Khail, minister of finance and national economy. "Local industry has made enormous progress in increasing the availability of a diverse range of high quality manufactured products," he added.

The authorized capital of SIDF for industrial projects is SR8 billion. "As the industrial loan portfolio matured, the annual level of repayments increased, and it now appears that these will be sufficient to meet disbursements in respect to future commitments, so that the fund is unlikely to require future capital injection in order to sustain the industrial lending portion of its activities," the report said.

During the year, SIDF approved 74 new industrial projects and 14 expansions. Only five of the approvals were in the building materials sector, with a commitment of SR60 million since "the building materials sector is now the most mature industrial sector within the Saudi economy." During the fiscal year, 10 building materials projects became operational, compared to 16 the previous year. Companies producing red bricks have been among the most commercially successful in the Kingdom. According to the report, there are now 12 fully operational factories in the Kingdom, with a combined annual capacity of 1.5 million tons, and seven factories are being implemented in the red brick sector.

The pipe industry in the building materials sector made rapid progress. At the end of the fiscal year, there were 19 companies producing an extensive range of pipes in a variety of materials. The cement industry received sustained support from SIDF, with SR2.4 billion, or 25.4 percent, of total approvals. A loan of SR400 million was approved to construct a new cement plant in Rabigh to replace the existing one in Jeddah which is due to close. Local cement production during the year increased dramatically to

nearly 6 million tons, or approximately 37 percent of the Kingdom's annual cement requirements. When the projects under construction reach full capacity, annual production in the Kingdom will exceed 12.5 million tons.

The consumer products sector is the fastest growing sector in the Kingdom. With loans of SR247 million approved in 1981-82, the total for this sector reached SR1.7 billion, representing 17.8 percent of the total gross approvals. Carbonated beverages rank first on the list of consumer products, with a 25 percent increase in demand annually. SIDF approved loans to 14 factories by the end of the year. With three commencing production during the year, the total number of operational plants reached nine. According to the report, local production is growing faster than imports.

During the year, five dairies supported by SIDF commenced production, increasing the total to 12 in less than four years during a time when the Kingdom was entirely dependent on the import of milk, yogurt, cheese and ice cream. Nine factories are either under construction or in the planning stage. SIDF approved SR400 million in loans to 56 food processing projects.

Another industry which has taken root in the Kingdom is the paper conversion industry. In 1981-82, there were 10 plants, producing a variety of products, such as facial tissues, diapers and packaging products.

During the year, SIDF supported 23 projects in the printing industry and approved 19 loans for wooden furniture and wood working projects and nine loans for metal furniture projects.

"There are currently eight operational factories supported by the fund producing wooden furniture, and an additional six producing metal furniture," according to the report.

Saudi businessmen have identified a specialized textile market with commercial potential in the face of intense competition from abroad, the report emphasizes. Two new loans were approved for the manufacture of woven blankets. SIDF extended loans for the manufacture of a range of carpets, velvet and other upholstery products during the fiscal year.

As Saudi investors have become more confident about the viability of local manufacturing, they have shifted to more complex products and more sophisticated markets. This is evident in the engineering sector, to which SIDF committed SR1.9 billion, or 19.5 percent of its total loans for 1981-82.

During 1981-82, SIDF approved 23 loans totaling SR441 million for projects in the sector, which include metal manufacturing. As many as 18 new factories opened to produce industrial metal panels, wire mesh, steel pipes, metal cans and car radiators. Two of the projects approved in the year will add a full range of bare overhead conductors, insulated power cables and general wiring for low, medium and high tension application.

The market for air conditioners and desert coolers is one in which manufacturers have been particularly successful. By the end of 1981-82, SIDF had approved eight loans for air-conditioning projects and four for desert coolers. Ten of these projects are operational, one manufacturer being the largest in the Middle East. SIDF also approved loans for the manufacture of rectangular, flexible and round section air ducts for the central air-conditioning systems prevalent in the Kingdom.

Radiators, batteries, filters, truck chassis, truck bodies, agricultural tractors, trailers and oil, air and fuel filters are some of the items in the automotive industry which have been encouraged by SIDF. The manufacture of drill bits for

use in water, oil and gas exploration, water meters, galvanized metal products, electrically welded wire mesh and metal plates also was approved in 1981-82.

Another sector which has a vast potential in the Kingdom is chemicals and plastics, to which SIDF granted SR1.12 billion through 1981-82. From simple process products such as injection molded plastics and low density polyethylene bags, Saudi entrepreneurs have entered the field of complex products using more sophisticated chemical processes. SIDF approved loan applications totaling SR251 million for projects manufacturing a variety of new chemical products including oil stabilization chemicals, calcium carbide, fire fighting chemical foams and alkyd resins in 1981-82. The calcium carbide and alkyd resin plants are the first of their kind in the Middle East. Referring to these new developments, the report comments that "it is a positive sign of a maturing manufacturing sector."

SIDF provided finance for 42 manufacturers of plastic bags and molded plastic products, including 12 approved during 1981-82. There were 29 factories in operation in 1981-82, including five which started production in that year. There were five paint manufacturing facilities producing a variety of paints for household, commercial, industrial and marine use in 1981-82, in addition to four approved during the year. SIDF also approved SR174 million for 14 projects for producing industrial gases such as oxygen, nitrogen and carbon dioxide, in addition to sulfuric acid, hydrochloric acid, caustic soda and

chlorine by the end of 1981-82.

"The fund has encouraged joint ventures with foreign partners as an effective means of transferring new technology to the Kingdom," states the report. There were 210 projects involving foreign equity participation at the end of 1981-82. Loans committed by SIDF to these joint ventures totaled SR3.5 billion. The United States had the highest number of joint ventures with 38. The total for European countries was 104 and for other Middle East countries, 48. Giving an indication of the industrial program promoted by SIDF during the last eight years, the report states, "During 1980-81 revenues of local manufacturers were on the order of SR15 billion, up sharply from SR9.2 billion reported in 1979-80."

In the field of electricity, SIDF had approved cumulative loans of SR30.9 billion to electric utility projects by the end of 1981-82, SR11.3 billion for generating projects, SR18.5 for transmission and distribution projects and SR1.1 billion for other support facilities. SIDF committed SR1.4 billion for generation, in addition to SR2.8 billion for transmission and distribution projects during the year 1981-82.

Cold store finance is another major activity of SIDF, which received a total of SR200 million by the end of 1980-81. It made loan commitments of SR7.2 million for two additional cold stores and disbursed SR102 million in 1981-82. There were 16 cold stores in operation by 1981-82. When all the approved projects are in operation, there will be over 400,000 tons of annual cold store capacity in the Kingdom. ◇

SAUDI ARABIA

GOVERNOR OF RIYADH SIGNS CONTRACTS FOR IMPROVEMENTS

Jiddah 'UKAZ in Arabic 26 Apr 83 p 3

[Article: "Prince Salman Signs Four Contracts To Carry out Some Projects in the Diplomatic Section"]

[Text] His Royal Highness Prince Salman ibn 'Abd-al-'Aziz, the governor of the Province of Riyadh and the chairman of the higher executive council to transfer the Ministry of Foreign Affairs and the embassies, signed four contracts yesterday to build and design some projects in the diplomatic section.

This was stated by the director general of the office of the Foreign Ministry and embassy section project, Dr Muhammad ibn 'Abd-al-'Aziz Al al-Shaykh, who said that these contracts included one for the execution of the diplomatic club project. This contract was signed with an international firm for 116,069,352 riyals; the area of the land of the diplomatic club will come to 85,000 square meters, and the area of the buildings will come to about 19,500 square meters. They will include lecture halls, rooms for sessions and meals, a reception building, a building for guests which will contain four wings and 30 rooms, and in addition some sports facilities and side installations.

Dr Muhammad Al al-Shaykh added that the contracts also include one for the construction of the sporting club, which has been signed with an international firm for 71,524,533 riyals. The land area of the sporting club comes to 94,000 square meters. The buildings will include rooms for various games, a covered pool, an open one, and several buildings, whose area will come to 12,000 square feet, in addition to parking areas and parks whose area will come to about 82,000 square meters.

The contract to carry out the project also includes the intensified coordination of sites for squares and pedestrian walkways. This has been reached with a Saudi company for the sum of 54,139,511 riyals. The area of the land for the intensified coordination of sites for pedestrian walkways and squares will come to about 160,000 square meters. The project includes stonework, the grading of land, the provision of arable soil, the planting of various shrubs, irrigation, lighting, and some electrical and mechanical work necessary for the creation of a number of green areas, pedestrian walkways, fountains, and various signs for aesthetic coordination.

This contract was signed with a consulting firm for a total of 1,154,854 riyals.

The director general of the project office stated that these contracts are being signed in completion of the erection of the basic equipment and public utilities in the diplomatic section, in keeping with the order of his majesty the king that the diplomatic corps is to be transferred to Riyadh in late summer 1985. This has been conveyed to the diplomatic corps in the kingdom.

11887

CSO: 4404/347

KING DISMISSES CABINET MEMBER

Jiddah 'UKAZ in Arabic 26 Apr 83 p 1

[Article: "The Council of Ministers, under the Chairmanship of His Majesty King Fahd"]

[Text] The Council of Ministers held a session yesterday afternoon under the chairmanship of His Venerable Majesty King Fahd ibn 'Abd-al-'Aziz.

After the session, His excellency the minister of information, Mr 'Ali al-Sha'ir told the Saudi News Agency that the council had reviewed a number of issues presented to it and had listened to some clarifications which their excellencies the ministers had presented.

His excellency pointed out that the council had agreed to a request from his excellency the minister of industry and electricity, Dr Ghazi al-Qusaybi, to appoint Mr Fuhayd Fahd al-Sharif deputy governor of the General Electricity Organization at Grade 15.

The council also reviewed the report by the Ministry of Finance and National Economy on increasing the pensions of people on retirement who were transferred to retirement in the period between the issuance of the civil service registry on 27 June 1977 and the military service registry issued on 31 March 1977, and the issuance of the military and civil service registry issued on 6 May 1981. In addition, the council gave its agreement to the passage of an increase by the same percentages at which the pensions of people retired prior to 27 June 1977 were raised, on the basis of Council of Ministers' Decree 121 of 21 May 1981, provided that these new increases go into effect starting 21 April 1983. His excellency added that the council issued its recommendations on some issues that had been presented, and handed some over to branch committees for further investigation and study.

In addition, the Saudi News Agency correspondent learned that His Majesty the King began this afternoon's session by expressing the appreciation of his majesty, may God preserve him, for the continuous efforts which his excellency the former minister of information, Dr Muhammad 'Abduh al-Yamani, had exerted in developing and improving the media.

His majesty also expressed his good wishes for his excellency the current minister of information, Mr 'Ali al-Sha'ir, and praised the exalted services his excellency had previously offered his religion, his king, and his country in his previous positions.

In response to a question from the Saudi News Agency correspondent, his excellency the minister 'Ali al-Sha'ir said, "His Majesty My Master the Venerable King Fahd ibn 'Abd-al-'Aziz has honored me with his precious, generous confidence in areas where I have previously had the honor of contributing modest efforts under the supervision and directives of their highnesses the ministers under whose command I was honored to work. Today, his majesty my master, may God preserve him, has been so gracious as to bestow upon me the honor of the responsibility for the Ministry of Information, the extent of whose grandeur and the delicacy of whose consequences I realize, so that I may continue the efforts of the generous colleagues who preceded me. I humbly pray God the powerful and the supporter to enable me to bear this trust and allow me to succeed in carrying it out, adhering to the guidance of the holy book and the platform of the sayings and doings of Muhammad, and I ask the almighty to make me worthy of the trust of his majesty my master and allow me to measure up to his noble hopes and aspirations. My success is only in God, in whom I have put my trust and to whom I turn repentantly."

11887

CSO: 4404/347

EXPORT OF CEREALS ANTICIPATED

Paris AN-NAHAR ARAB REPORT & MEMO in English No 23, 6 Jun 83 pp 9-10

[Text]

Saudi Arabia hopes to achieve self-sufficiency as a producer of cereals and to become an exporter in one or two years, King Fahd announced last week during a visit to the new industrial city of Jubail. Noting that wheat production in the Kingdom had risen from 5,000 tonnes a year five years ago to 600,000 tonnes today, King Fahd commented that "this would refute claims that the Kingdom is not an agricultural country."

King Fahd, according to a report from Jubail by the OPEC news agency, did not reveal the cost of growing grain in Saudi Arabia, estimated at several times the production price in more temperate climates. The Saudis have been willing to bear these heavy costs to develop farming and to achieve self-sufficiency as a strategic goal in order to avoid the possibility of a food embargo being imposed on the Kingdom by its traditional suppliers. Indeed, an offer recently by the US to guarantee Saudi Arabia's grain imports as an alternative to the policy of self-sufficiency appears to have been ignored by the Saudi authorities. It is hard, however, to see much justification for the development of a capacity to export such heavily subsidised cereals in quantities larger than would be needed to ensure self-sufficiency in the event of a bad harvest.

In a related development, the UAE Ministry of Agriculture and Fisheries announced it planned to regulate the production of vegetables in the Emirates to ensure that supply and demand were in equilibrium. The Dubai daily *Gulf News* reported that Agriculture Minister Saeed al-Reqabani was to hold a meeting there to discuss the problem. According to the newspaper, the measures envisaged would include banning imports of vegetables that are produced locally, offering subsidies to farmers to discourage surplus production, encouraging cultivation of other plants and imposing heavy customs duties on imported vegetables.

Gulf News noted that production of tomatoes, cauliflowers and cabbages in the UAE last winter reached 160,000 tons but that local demand accounted for only 140,000 tons. Some of the surplus was exported to neighbouring countries, but the rest went to waste because farmers were unable to obtain satisfactory prices on the local market.

FOREST STUDIED FOR POTENTIAL AS FUTURE RESOURCE

Jiddah SAUDI BUSINESS & ARAB ECONOMIC REPORT in English No 8, 11 Jun 83
pp 14-15

[Article by Devadas Kini]

[Text]

Saudi Arabia has a natural, "accessible" forest area of about 762,474 hectares located in Taif, Baha, Baljurshi and Asir. This is a major finding of the first study concerning forests ever undertaken in the Kingdom. The research project was initiated by Dr. Atallah A. Abu Hassan, dean of the College of Agriculture at King Saud University, and a team of scientists from the Department of Plant Production, with the support of the Saudi Arabian National Center for Science and Technology.

Dr. Abu Hassan told **Saudi Business** that forests in Saudi Arabia extend from Jizan in the south to Taif in the north, where the climate and soil are favorable. The rainfall in these regions is adequate throughout the year, receiving the largest amount of rain in the spring and fall. The annual rainfall average exceeds 300 millimeters (12 inches) in the mountains and 250 millimeters (10 inches) along the Red Sea coast.

"These forests are one of the valuable natural resources of the Kingdom, but unfortunately, they were overgrazed for many years and suffered other abuses, since they were once the only source of fuel and timber," Dr. Abu

Hassan said. He feels the time has come to protect and manage these forests to ensure continuing productivity.

The research project, started in 1981, examined the status of the forests to determine the properties of their wood and to suggest measures for their protection and improvement. The volume of standing timber in the Kingdom is about 18.9 million cubic meters. The study reports that 90 percent of the trees are African pencil cedar (species **juniper**). The wood is strong, hard and resistant to attack by insects and microorganisms, which makes it suitable for building, furniture and the pencil industries. Some of the trees must be cut and replaced, because they have reached the over-mature stage and show serious signs of biological deterioration. The study also reports that these forests should be put under a good management plan that involves cutting the over-mature stock and applying silvicultural practices, such as pruning, to the remaining stock.

The team suggests cutting 5 percent of the total volume of standing timber annually for commercial use, to support some local wood-based industries. "The

project is still under way and the final recommendations of the study will be presented in six months," said Dr. Abu Hassan.

Explaining the research methods, Dr. Abu Hassan said, "The research team visited the forest area several times to survey and take samples from six different plots of about 25,000 square meters in various parts of the forest area. They counted the number of trees, measured the dimensions and determined the volume." The team brought the wood samples to the Wood Technology Laboratory of the College of Agriculture to evaluate strength, chemical and anatomical properties. "The SR1.2 million laboratory is one of the best equipped labs in the Middle East, with an Instron testing machine, and X-ray defractometer and many others," he added.

When asked about afforestation measures in the Kingdom, he said, "The

government has adopted an ambitious program of tree planting. Several private and government nurseries have been established to grow local drought-resistant and salt-tolerant stock for windbreaks, roadside plantings and woodlots." The shortage of water and the high temperatures in the middle and eastern parts of the Kingdom are the main obstacles for increasing the planted area, he explained.

He added that one unique system of afforestation adopted by the Ministry of Agriculture and Water is being implemented in a 10,000-hectare area of land in the Al-Hasa region. Under the sand dune stabilization program, many species were planted to combat desertification and to protect cultivated land. This method, he said, is better than mechanical and physical methods used in the past. ◇

CSO: 4400/394

SAUDI ARABIA

GOVERNOR OF MECCA PROVINCE CHRISTENS NEW MERCHANT VESSEL

Jiddah 'UKAZ in Arabic 25 Apr 83 p 3

[Article by Badr al-'Abbasi: "Prince Majid Oversees the Celebration of the Christening of the Ship Sa'udi Abha: His Highness Underlines His Pride in the Development of the Merchant Marine Fleet"]

[Text] Yesterday His Royal Highness Prince Majid, the governor of the Province of Mecca, oversaw the celebration of the christening of the ship Sa'udi Abha which was held in the Islamic port of Jiddah, on board the ship itself.

Greeting his highness when he arrived were Dr Ahmad al-Turki, the deputy minister of transport, Mr Muhammad 'Abdallah al-Saghir, the chairman of the board of the Saudi National Marine Transport Company, Dr 'Abd-al-'Aziz al-Turki, the manager of the company, and a number of officials.

Accompanying him were Mr 'Abd-al-Muhsin al-Samiri and Mr 'Ali Shabakshi. The celebration began with a talk by Mr Muhammad al-'Abdallah al-Saghir, in which he welcomed His Highness Prince Majid and stressed that this occasion was to be considered a historic one in the life of the company and the kingdom, with its profound history in the area of maritime activity, in view of the kingdom's geographic location and its extensive coastlines along the Red Sea and the Arab Gulf.

He said that in the past foreign marine transport companies dominated the process of shipping cargoes to the kingdom and imposed the rates they chose. Therefore, the upright government considered it appropriate to establish a Saudi corporation to eliminate dependence on foreign companies, and this company was established with capital of 500 million riyals, of which the government owned 25 percent, while 14,000 stockholders who were citizens subscribed to the rest.

He added that the company was now moving with rapid strides to create its merchant fleet, in order to realize the goals for whose sake it was established.

After that, Dr 'Abd-al-'Aziz Muhammad al-Turki, the director general of the company, gave a talk in which he welcomed His Highness Prince Majid and said, "In the sixth month of 1981, the company bought two giant vessels, the Sa'udi Mecca and the Sa'udi Riyadh, with which the first route was started, connecting

the ports of the United States and its east coast to the ports of the kingdom and the Persian Gulf. In the month of September 1981, the company completed the designs and plans for the construction of the most massive ship of its kind in the world. After international bids were held which included 47 shipyards from all areas of the world, the Swedish firm Cockter was awarded the project to build and deliver the four roll-on roll-off ships, the christening of the first of which, the vessel Sa'udi Abha, we are celebrating today. The second ship was delivered a few days ago; that is Sa'udi Dar'iyah, which is now on its way to the kingdom, where it will be registered and the Saudi flag will be raised over it. The remaining ships will be delivered in the next 6 months, God willing.

"This company has proceeded to achieve its goals, and this has had an effective influence in providing meat for the kingdom and keeping its prices at economic levels."

He stated that the Saudi Marine Transport Company was now intensively engaged in completing the necessary measures for putting the third route, to link the ports of Western Europe to those of the kingdom and the Arab Gulf, into operation in the early part of 1984. After that, Capt Muhammad 'Abbud Babaydan gave a talk in which he described the potential of the company's new ships.

His Royal Highness Prince Majid ibn 'Abd-al-'Aziz and the guests at the celebration then arose, as the flag was raised over the ship, then his royal highness cut the ribbon while stating "thanks be to God, and with God's blessings." His majesty then made an inspection tour of the bridge of the ship, the officers' and seamen's quarters, and the lifeboat room.

His highness expressed his pride with this ship and said that it was the most modern product of marine transport, in terms of equipment and furnishings. He said "This is one of the biggest of ships, since its size comes to 2 million cubic feet, that is, the equivalent of 40 soccer fields, which is something great, and I am happy to greet my brothers the members of the board and wish them further progress so that we can attain splendid, excellent status in the form of the merchant marine fleet." After that, the chairman of the board presented His Highness Prince Majid with a present consisting of a small model of the vessel Sa'udi Abha, and his highness and the guests then went on the deck of the ship to take tea.

11887

CSO: 4404/347

INSURANCE GROUP DISPUTE DISCUSSED

Beirut AL-IQTISAD WA AL-A'MAL in Arabic No 47, Apr 83 pp 30-31

[Article by Hasib Abu Dargham: "The Development of the Conflict Inside the Saudi Insurance Companies Group: The 'Founders' Group' Chooses the Policy of the Fait Accompli"]

[Text] Concerning the disputes which have been going on inside the Saudi Insurance Companies Group for the last year or so, important new developments have occurred during recent weeks which may either help to "move matters from dead center" or help to increase the intensity of the conflict. Whatever happens depends upon the positions which the two parties in the conflict may take as well as the extent of the role which the Arab Insurance Federation will be able to play in bringing the points of view of the two parties together, consolidating the foundation for a "peaceful settlement," and consequently warding off the danger of a schism.

After more than a year since a group of the Saudi companies demanded a modification of the bylaws, many provisions of which they considered to be fundamentally anti-democratic, the Administrative Committee has undertaken to introduce several amendments which partially respond to the demands made by the "other group." The most important of these amendments are the following:

1. It has become possible to hold a Saudi Insurance Companies Group general assembly by request of half of the member companies, rather than by request of 75 percent of the member companies as was previously the case.
2. Decisions will now be made on the basis of a simple majority vote of those present--whereas this previously required a 75 percent majority of the votes--provided that majority approval is obtained individually both within the group of founding members and the group of non-founding members.
3. The approval of emergency decisions now requires 75 percent of the votes of those present, as opposed to the unanimous vote of those present as was previously the case.

4. Appointment of the members of the Administrative Committee previously took place in accordance with the wishes of the founding members (with each founding member choosing a representative.) Now, however, the committee will be composed of 5 members who will be elected as follows: 2 founding members will be elected, 1 nonfounding member will be elected, and 2 other members of the insurance group, not representing the two above-mentioned groups, will also be elected. The term of the committee has been set as being 2 years, and every year 3 members of the committee must be reelected. The Administrative Committee held a general assembly which was restricted to the companies supporting the committee, and during the general assembly these amendments were approved. This was followed by the holding of elections on the basis of the new system. The elections were also restricted to the above-mentioned companies, and the other companies were not allowed to take part in them. The result was that a new administrative committee has been formed. Its chairman is Ahmad Husayn Abu al-'Ala, its four members are Robert Bahu, Jacques Sasi, Samir Jabbur, and Sayyid Ruzfi, and Mr Suhayl Thabit was elected as reporting secretary general.

The Position of the "Withdrawing Companies"

As we know, 12 of the original 27 companies in the insurance group withdrew last year after the dispute with the Administrative Committee concerning the bylaws became a critical one and after no agreement was reached concerning this subject when it was necessary to hold new elections for the Administrative Committee in 1982. Those particularly active in the ranks of these withdrawing companies have been Ahmad Sabbagh, Paul Haddad, and Zahi Qamhiyah. The position taken by this group could be summed up as follows:

1. The dispute should not lead to a schism in the insurance group, but rather should lead to rebuilding the insurance group in accordance with democratic principles.
2. One possible solution is the establishment of a committee which would include 3 members from each group and would undertake the task of preparing a joint plan for amending the provisions concerning which grievances have surfaced.
3. The bylaws should be based on the principle of equality between all of those belonging to the group, and there should be no distinction between "founding members" and "non-founding members."
4. Four amendments to the bylaws should be presented to the general assembly to be ratified by a simple majority vote, and this should be followed by the election of a new administrative committee, in accordance with the provisions of the new system.

It should be mentioned that the withdrawing companies recently have taken the initiative of demanding the intervention of the Arab Insurance Federation in the dispute in order to help settle it, especially since most of the Saudi companies constituting the Saudi Insurance Companies Group are members of the Arab Insurance Federation. The Arab Insurance Federation has, in fact, decided to respond to this request and has sent a delegation, chaired by its secretary general, Mr Sa'id al-Nabylusi, to mediate and resolve the conflict.

But what developments are anticipated now, after the initiative by the Administrative Committee? Will the reforms that have been approved constitute a foundation which will be sufficient to resolve the conflict?

It should be pointed out that, as of the date this article was written, there have not been any public reactions on the part of the withdrawing companies to this recent development, although circles close to these companies have hinted that the amendments are not sufficient.

Remarks Concerning the Conflict

In connection with the disputes going on, it is possible to make the following remarks:

1. The dispute concerning the insurance group's bylaws is not a dispute concerning "formalities," but rather a fundamental dispute which reflects the existence of differing interests or attitudes, as well as private considerations, within the insurance group.
2. One could say that the companies represented in the Administrative Committee which undertook the initiative of founding the insurance group are mostly large companies, the shares of each of which range between 60 and 150 million riyals or more, whereas the withdrawing companies are chiefly small companies, the annual shares of each of which range between 10 and 30 million riyals. This disparity might be something which sheds some light on one of the objective reasons for the dispute. The large companies might be more sensitive to chaos in the market and might be more concerned about regulating competition and introducing self-discipline into the field of insurance. In view of the special situation in the Saudi market and the fact that the Saudi government so far, for particular reasons, has not intervened to regulate the insurance sector, the founding members have been inclined toward protecting their business by means of constitutional guarantees which would give them the power which they feel they should have by virtue of the volume of the market which is theirs. But it appears that such excessive zeal has led to legal "interpretations" which might seem extraordinary and difficult to justify.
3. It should be said that the Administrative Committee, which represented the founding members, did not show the concern for the dispute that it deserved and, in fact, did not make an effort to prevent it from becoming a critical dispute and reaching the stage of a schism. One should bear

in mind that the bylaw provisions concerning which complaints were raised would be something that any professional body or group would want to discuss. This applies particularly to the principle of creating two levels of membership, that is, founding members and non-founding members. This is something which is unprecedented and which actually creates the basis for an artificial type of distinction and sensitivities which should not be necessary. The professional or non-professional justifications that this precedent is based on are not clear ones. As we know, [normally] any constituent body is supposed to be immediately dissolved after the establishment of a given professional group.

4. The representatives of the withdrawing companies did not always successfully present their case in the necessary objective manner. In some cases their initiatives and the positions which they took lacked flexibility.

5. The Administrative Committee's initiative in introducing basic amendments to the bylaws is considered to have been a clever step taken in an attempt to forestall matters. However, this step will most certainly be attacked as a step which ignored the opposition party, both in terms of discussing ratification of the amendments and granting the opposition party the opportunity to nominate candidates for the new Administrative Committee. One should bear in mind that the amendments did not eliminate the principle of distinguishing between "founding members" and "non-founding members," and consequently the most important principle that was the object of contention has been maintained in the bylaws. One could even say that the committee's initiative was one which was hasty and which confronted everyone with a fait accompli--and this also goes for the Arab Insurance Federation.

6. All of this will not serve to make the job of the Arab Insurance Federation an easy one, and the Arab Insurance Federation will find itself confronted with an existing situation which it will not be able to change. Right now there is an administrative committee, an elected chairman of the committee, and a new set of bylaws which have been ratified by a "general assembly." Also, the opposition party is at a loss as to how it should respond to the initiative taken by the Administrative Committee. This has been especially true after Mr Ahmad Husayn Abu al-'Ala considered the introduction of the amendments and the holding of the elections to have been something which would partially satisfy the demands of those with the grievances and open up the way for them to return to the group and work within it. Whether or not the recent amendments satisfy all of the demands made, the withdrawing companies will still find themselves confronted with the following questions: How can one complete the reform which has been introduced? Would it be better to go back into the group and take advantage of the amendments to the decision-making rules, or should one resort to a negative approach in response to the disregard shown by the committee and should one consequently set one's hopes on the mediation--and weight--of the Arab Insurance Federation?

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CSO: 4404/362

SAUDI ARABIA

BRIEFS

LOAN TO TAIWAN--Saudi Arabia has agreed to lend Taiwan SR 274.5 million (about \$83 million) to help finance an underground railway project in Taipei. Details of the loan were not disclosed. The agreement was signed at the end of a three-day economic and technical conference in the Taiwanese capital attended by a 16-man Saudi delegation. During the conference, which was designed to enhance economic and technological cooperation between the two countries, Saudi Arabian Finance Minister Mohammed Aba al-Khail called on Taiwan to invest more in Saudi Arabia and urged the creation of more joint ventures. In a written message to the conference, Sheikh Mohammed said that bilateral trade had grown by an average of over 57 percent annually over the past 20 years, rising from less than \$500,000 in 1963 to \$2.675 billion last year. The two countries agreed to promote bilateral ties in the fields of agriculture, industry, science and technology, trade and finance, according to a spokesman for Taiwan's Ministry of Economic Affairs. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English No 23, 6 Jun 83 p 10]

CSO: 4400/394

GUERRILLAS REPORTEDLY KILL OVER 100 GOVERNMENT, SOVIET TROOPS

Manila BULLETIN TODAY in English 24 May 83 p 3

[Text]

ISLAMABAD, May 23 (UPI) — Afghan guerrillas have killed more than 100 government and Soviet troops in recent fighting near the border of Pakistan, rebel media reported Sunday.

Kabul radio, monitored in Pakistan, said the Afghan minister for tribal and border affairs, Suleman Laeq Ali, has arrived in Urgun, a town of Paktika province bordering on Pakistan.

The broadcast did not give any reason for Ali's visit to Paktika where Afghan guerrillas and the communist forces have been locked in fierce fighting since May 18.

Rebel sources said Ali may have been

rushed to Paktika on some important mission, possibly to gauge the extent of support the guerrillas have in the area.

Afghan resistance sources said guerrillas killed 71 Afghan soldiers and communist officials during a recent attack on an Afghan military convoy at Zhawra in the wooded mountains of Paktika.

Rebel media in Pakistan said guerrillas last week repulsed a tank and helicopter-supported attack by Afghan government and Soviet troops near the Pakistani border killing 35 Russians.

The insurgents Afghan Press Agency said Soviet and Afghan government forces

launched a surprise attack on the village of Dunai, only 3 miles (5 km) from the Pakistani village of Kamangara in north west frontier province, the report said.

The rebel press agency said it had no estimate of the strength of the Soviet-Afghan forces but said it was supported by 200 tanks and military vehicles and 12 helicopters.

The report said the rebel forces, having anticipated the move, took up positions on high ground and counterattacked in fighting that killed 35 Soviet troops. One of the Russian soldiers was killed in the hand-to-hand fighting that followed and the rebels suffered two dead.

The insurgents re-

ported the capture of 35 Kalashnikov assault rifles.

The rebels said their forces brought in reinforcements who kept up such intense fire that the Soviet and Afghan troops were unable to pick up their said.

The rebel attack kept the Soviets and Afghan troops from sealing off a major crossing point on the Pakistani border, the rebels said.

Afterward, the Soviets carried out retaliatory bombing of the area from the ground and the air until Friday, destroying 10 houses and damaging others.

The rebel agency report could not be confirmed from independent or western diplomatic sources.

TRIBES COMPLAIN ABOUT COUNTERREVOLUTIONARIES

Kabul NEW TIMES in English 23 May 83 p 4

[Text] Kabul, May 23 (Bakhtar)--The tribal people are enraged by the inhuman actions and killings committed by the counter-revolutionaries of Afghanistan.

Reports reaching here from Koram agency across the border to BIA say that the people of Totakai, Shaluzan and Sada have complained to the government authorities of Pakistan about the inhuman actions of the counter-revolutionaries of Afghanistan and asked their immediate expulsion from their territory.

The military regime of Pakistan paid no attention to the demands of these tribes. The people in these areas staged huge demonstrations which disrupted traffic on the roads between Koram agency, Shaluzan and Sada.

The demonstrators were chanting slogans that the armed Afghan counter-revolutionaries must go out from their territories, so that the people could live in peace and tranquillity in that region.

CSO: 4600/691

ACTIVITIES OF COOPERATIVE PROMOTION DEPARTMENT DISCUSSED

Kabul NEW TIMES in English 21 May 83 p 21

[Text] The cooperative promotion department so far has established 1234 agricultural procurement cooperatives with 193000 member and 59 million Afghanis as capital which covers 555,000 hectares of land all over the country.

A source of the agricultural cooperatives of the Agriculture and Land Reforms Ministry told the reporter of the Kabul New Times in an interview. Peasants and toilers of the country, since long years have been solving their pressed problems through consultation. This can be witnessed in harvesting, cultivation, digging and cleaning canals, creeks and ditches, constructing mosques, schools, bridges and roads. But, however, these activities are not managed to respond to present requirements of the toilers and peasants as a whole. Taking into consideration the importance of the collective works and their effectiveness in the lives of the toilers in the country, an urgent need for more organised organisations and associations was felt. And the associations should have legal identity to be able to obtain necessities like credit services, implements and materials for agriculture, finding suitable markets for agricultural products and handicrafts, professional consultation for the farmers and the like.

After the victory of the Saur Revolution implementation of the cooperatives programmes received the attention of the party and state. And, after the new and evolutionary phase of the revolution, the grounds were leveled for sound development of the cooperative movement as in other economic and social sectors.

Babrak Karmal, General Secretary of the People's Democratic Party of Afghanistan and President of the Revolutionary Council, in his address dated Hoot 7, 1358, has stressed the need for development and growth of the cooperatives movement. Also, as a result of the attention paid by the leadership of the party and the state, the cooperative activities have become organised. As a result, the central Council of the Peasantry cooperatives established in Qaus, 1359, and the cooperative training institute was set up to train professional cadres in the Kabul city. The institute has trained 600 cooperative employees and employees of other institutions.

Recalling the accomplishments undertaken in the course of the last year, the source went on to say:

"Establishment of 22 cooperatives for procurement of agricultural services with membership of 1400 persons with a capital of 2.2 million Afghanis for a 10089 jeribs of first degree land in the centre and provinces, reactivation of 16 cooperatives in the provinces of Baghlan, Parwan, Kabul, Faryab, and Zabul and attraction of more than 600 new members in cooperatives, have been accomplished in the course of the last year. Likewise, finding markets and production credits equivalent to 75 million Afghanis for members of these cooperatives, preparation and distribution of 49 sets of Ariana ploughs and 13 sets of water pumps and other goods for them, preparation and distribution of 10866 food unit against work allowances equivalent to 35 tones of wheat in relation to establishment of gardens, digging and cleaning of the wells, subterranean canal, holding short-term cooperative courses and seven training workshops in the cooperative training institute, distribution of 15000 copies of the propaganda leaflets for the members, holding 220 cooperative courses for the board of the directives in the provinces, publication of 48 radio-TV interviews and 24 articles on cooperatives in the dailies and weeklies, despatch of professional personnel of the cooperative promotion centre to the provinces according to the resolution of the DRA Council of Ministers, conclusion of contracts and protocols with the respective organisations on cooperatives preparation of model charter for cooperatives of the agricultural services, draft of the plan for campaigns of the years 1361, 1362 and the seven-years plan of the cooperatives, translation of 14 hand books for the cooperative training centre, preparation, publication and distribution of 400 cooperative guides, establishment of a research centre, procurement of some audio-visual units, establishment of a library in the cooperative training centre and purchase of 750 volume books from the various sources, trips of Afghan delegations to the friendly countries of Hungary, Czechoslovakia, Bulgaria for furthering experience and attracting the assistance of those countries.

The source added: "The cooperative promotion department has so far established 1224 cooperatives with a membership of more than 193000 persons and 59 million Afghanis as capital and 155000 hectares of first degree land all over the country.

The department always strives to promote material and technical assistance for cooperatives' members and for proper distribution of these assistances. These aids include preparation and distribution of productional loans for chemical fertilizers, sowing seeds, plant and animal medicines, agricultural implements, spare parts, water pumps and others. To find suitable markets, pre payments for forwarding cooperatives over produce in the internal and foreign markets from the local credit sources like agricultural development Ban, Industrial Bank and from circulatory capital of the Cooperative Promotion Department.

The department has carried out a number of activities to welcome the anniversary of the Saur Revolution. On this occasion, several books have been translated while some already translated were readied for publication. Also, a road was built, saplings were planted and a library was organised on the same occasion.

Concluding his statement, the source added. The CPD recently drafted its work plan for the year 1362 according to the objective and subjective conditions of the society. Twenty-five agricultural cooperatives will be opened next year.

From the credit sources, a sum equivalent to 100 million Afghanis for granting various loans will be prepared and distributed to the member farmers.

Facilities are provided for sale of the over-produce of the members including 14.6 thousands tons and 3500 karakul pelts in the foreign markets. Convocation of 16 in-service courses are envisaged this year for the staff of the department. Cooperative publications will be encouraged through the mass media. Likewise, for drafting, compiling of charters, regulations and others beneficial strives are expected this year. Also establishment of model productional cooperatives are on the way in some of the provinces.

CSO: 4600/691

FERTILIZER DISTRIBUTED TO FARMERS

Kabul NEW TIMES in English 23 May 83 p 3

[Text] Considering the vitality of the chemical fertiliser in boosting agricultural products, the Afghan Chemical Fertiliser and Agricultural Services Company has distributed sufficient amount of chemical fertilisers and plant and animal pesticides to the peasants all over the country.

Stating this to the reporter of the Kabul New Times, a source of the company recalling the aims behind the establishment of the company said:

"As an institute of public service the Afghan Chemical Fertiliser and Agricultural Services Company right from its inception has always been striving to supply the farmers of the country with chemical fertilisers and plant and animal pesticides because better utilisation of land, promotion of agriculture, and steady supply of fertiliser is a must. Continuous cropping depletes land from essential nutrients. Therefore, the land productivity should be restored.

To produce staple food and needed raw materials for the industry, land requires steady supply of chemical fertiliser and sound growth of crops needs medicines fight animal and plant diseases.

Therefore, in line with the beneficial measures taken by the revolutionary government which aim at flourishing the country, the company made efforts to be at the service of the farmers in the country.

Numerically speaking, the company has distributed 74352 tons of urea and 30648 tons of phosphate fertilisers worth 815481600 Afghanis to the farmers throughout the country in the past year.

Both urea and phosphate fertilisers have been distributed 5.89 percent more than the amount distributed in 1360.

Similarly, 61 million Afghanis worth plant and animal pesticides and veterinary implements have been distributed to the farmers on their request, showing an increase of 115 percent compared with the preceding year.

This helped farmers defend their crops and produce satisfactorily. It also encouraged others to use fertilisers and pesticides in their farms.

The source went on to say: The company tried to procure more than 42 thousand tons of various fertilisers for the spring sowing campaign, and to put at the disposal of the cultivators and livestock owners pesticides worth more than 35 million Afghanis.

The company also has sufficient amount of fertilisers and pesticides to be supplied to the farmers in the current year. The fertilisers and pesticides are distributed through 873 sales outlets.

The fertilisers are procured from the Mazar Fertiliser and Power Plants and foreign countries. The Soviet Union is the chief exporter of fertilisers to Afghanistan specially those which are enriched in phosphate. Pesticides are usually imported by the company directly from international sources.

The source said that the company has always benefitted from the assistance provided by the friendly countries, especially the Soviet Union in procuring phosphate fertilisers.

CSO: 4600/691

BRIEFS

WORKERS DEFENSE GROUPS--Kabul, May 18 (Bakhtar)--In pursuance of the joint resolution of the PDPA CC Politburo and the Council of Ministers of the DRA, a great number of workers and employees of the productive institutions such as the fertiliser and power factories, textile factory, and gin and press complex of the Balkh province are voluntarily joining the defence ranks of civilians and this process is continuing in other productive institutions, too. According to the BIA report quoting yesterday's issue of the Haqiqate Enqelabe-Saur daily 1,300 workers and employees of the Mazar Fertiliser and Power Complex have been organised in the civilian defence groups to fight against the subversive actions of the enemies of revolution and to guard the national wealth. These workers are working behind the machines to meet the needs of their compatriots in supplying fertiliser and power, they also carry out their armed defence duty in their places of production. [Text] [Kabul NEW TIMES in English 18 May 83 p 1]

350,000 FAMILIES RECEIVE LAND--Kabul, May 24 (Bakhtar)--Over 350,000 deserving families have received land in the capital and provinces of Afghanistan during the first and second phase of the democratic land reforms. This was stated by an official of the Ministry of Agriculture and Land Reforms of the DRA to a BIA correspondent. He added that over 9,200 deserving families have received land since the new phase of the April Revolution. Also, about 6,000 land-lessor small land holders have received official land ownership deeds in 1361 HS (ended of March 20, 1983). Talking on the future plan of the ministry, he added that 25 new agricultural cooperatives will be established during the current year and the state of the DRA has allocated one hundred million Afghanis for the growth and development of agricultural cooperatives in the country. [Text] [Kabul NEW TIMES in English 24 May 83 p 1]

IRRIGATION PROJECT PLANNED--Kabul, May 22 (Bakhtar)--Kokcha irrigation project will be reconstructed on both sides of Kokcha River. The total expenditure of the project amounts to over three billion Afghanis, over 43 million dollars of which are being financed from the credit of the Soviet Union and the rest from the state development budget. The main tasks of the project are construction of a diversion dam, general canals, stations and installation of water pumps. [Text] [Kabul NEW TIMES in English 22 May 83 p 1]

CSO: 4600/691

WAR PROPAGANDA HQ ISSUES STATEMENT ON 1,000TH DAY OF WAR

LD182213 Tehran Domestic Service in Persian 1630 GMT 18 Jun 83

[Text] A statement was issued by the war propaganda headquarters on the occasion of the 1,000th day of the war imposed by Iraq on Iran.

While referring to the history of the war imposed by the Ba'thist Zionist Iraqi regime against our Islamic homeland, to the evil plots which the superpowers have hatched, as well as to the heroic deeds of the forces of Islam in recapturing the occupied towns and villages, the statement says: The Zionist Saddam and his Ba'thist armed forces, with the stupid ambition and incorrect calculations of his non-Muslims commanders about the military strength of the forces of Islam, attacked our country along 1,600 km long front on our western and southern borders. During the first few days of the invasion he succeeded in occupying more than 14,000 square kilometers of Iranian territory. However, despite all the expectations of the East and the West not only was the Islamic system not toppled as a result of that invasion, but, with the assistance of Almighty God, it was strengthened in an unbelievable way.

After the unforgettable resistance of our heroic people in the towns and villages and after a general military and economic mobilization, our heroic forces at the fronts were heartened by the support of the people behind the lines and performed epic deeds. While receiving military training at the fronts, they attacked the enemy and made the Ba'thists taste the bitter taste of defeat. During 1,000 days of unequal war, faced with the vast armoury of eastern and western weapons possessed by the enemy, our forces succeeded in liberating more than 13,000 square kilometers of occupied territory.

Another part of the statement says: At the moment, our heroic nation, which is proud of its holy defense against the aggressors who are equipped with various types of eastern and western weapons, is determined to put an end to the plundering of the property of Iranian Muslims in the occupied parts of the country, and to continue closing in on the throat of the aggressors with ceaseless and continuous attacks until the aggressors expire. Our fighters at the fronts, aware of the blessings of war, hardened in the crucible of 1,000 days of military experiences in a war which was imposed upon us under the worst conditions, fearless and confident in the confrontation with the

enemy continuing their sacred defense in obedience to the order of the commander in chief of the armed forces, the idol-crushing Khomeyni, are determined, with the assistance of God, to inflict the final defeat upon the Ba'thist regime of Iraq, to liberate the Iraqi nation and to pave the way for the liberation of beloved Jerusalem.

CSO: 4640/255

IRAN

KHAMENE'I COMMENTS ON CONTINUATION OF WAR

LD111830 Tehran Domestic Service in Persian 1630 GMT 11 Jun 83

[Excerpts] Members of all units of Friday prayers at Tehran headquarters and a group of members of foundations and organizations that cooperate with this headquarter, met this morning with Mr Seyyed 'Ali Khamene'i, the president and the Friday imam of Tehran.

Referring to the conspiracies hatched by international oppressors to exert pressure on the Islamic revolution, the president said: In order to impose a cease-fire on our nation, the oppressors are begging us. They intend to strengthen their forces during the cease-fire period. Addressing the Iraqi Ba'thist regime, the president added: Our economy does not rely on the dollars given by the reactionary rulers of the region and we do not extend a begging hand every time our bowl is empty. We have not asked for help from anyone and will not do so now. We have not relied on any power. Any other regime in our place that did not enjoy the support of the nation and did not work with such coordination would have been crushed by such pressures. We do not need a cease-fire that is prepared by the superpowers and presented by our weakened enemy; as long as the war has not come to a just end, our defense will continue.

The president added: Our strength, our will, our determination, and our resistance against the forces of satan have increased considerably and we want to continue this war in a rational and ideal way. Those who come and talk to us and express their opinions should know that after nearly 3 years of imposed war, the system has stabilized itself more than ever and will not submit to the proposal that the superpowers are trying to impose on it. We consider the role played by nations and by our own nation, in putting an end to the war and in our peace proposals, are today the same as before.

Finally, Mr Khamene'i said: According to foreign reporters who have visited Khorramshahr, the damage done to that town is more than that done to Nagasaki in Japan. Our nation does not seek war and does not want war. However, it cannot remain silent in front of a subservient mercenary. We will defend the rights of our nation, which are the same as the rights of all nations in the region.

CSO: 4640/254

NEWSPAPERS REPORT ON ACTIVITIES OF BAHAI'S

Reagan Message on Baha'is

Tehran KAYHAN INTERNATIONAL in English 1 Jun 83 p 1

[Text]

TEHRAN, May 31 (IRNA) — In collaboration with Ronald Reagan and in support of a number of Baha'i-Zionist spies, Masou'd Rajavi, the leader of the Munafiqeen terrorist organization based in Paris, has called on the U.N. to send a team to the Islamic Republic to investigate what he called "group executions."

Last week Reagan released a message in support of a group of Baha'i Zionist spies and urged world governments to help in

obtaining their release.

Reagan's message, as expected, provided ample propaganda material for the imperialist and Zionist media as did the request of the Munafiqeen terrorists leader Rajavi's. Given wide coverage by the imperialist radio stations including that of Britain, it was in fact a collaborative move to boost Reagan's message.

In their calls Reagan and Rajavi also alleged that there was no freedom in the Islamic Republic of Iran.

Baha'i Families Accept Islam

Tehran TEHRAN TIMES in English 8 Jun 83 p 2

[Text]

SARI, North Iran (IRNA)— Fifty families of the Baha'i sect from Sari, North Iran, coinciding with the anniversary of June 5, 1963, uprising, accepted Islam in a ceremony, in the presence of Hojjatoleslam Bahari, Majlis deputy from Sari and a number of local ulama.

Hojjatoleslam Bahari gave a brief analysis of the formation of this misleading sect in Iran and pointed out to the high ideals of Islam.

Two of the people who accepted Islam in interviews with IRNA said that Bahaism was not a religion but an "ism" which was imposed on the society and its underhand management was in the hands of those who acted against humanity. Hence, after four years of probing and with the good offices and guidance of Hojjatoleslam Sawadkoohi, and ulama from Mazandaran Province, they became conscious of the hollowness of this sect and accepted Islam voluntarily.

CSO: 4600/695

CONSCRIPTION OFFICIAL COMMENTS ON NEW DRAFT LAW

GF060428 Tehran KEYHAN in Persian 23 May 83 p 19

[Exclusive interview with Colonel Razmju, head of the National Conscription Department--date, place not given]

[Excerpts] Colonel Razmju began by discussing the national conscription bill. He said: The bill has already received first vote approval in the Majlis and is currently under review by a special commission formed of the defense and internal affairs commissions, and 10 articles of this bill have already received second vote approval by the Majlis. In general, the bill currently under discussion in the Majlis has three distinctive parts. One is that those eligible for service will not be able to avoid service in the future since they will be subject to deprivation of a great many of their social rights. Even if they can live in the society for a short time without the majority of their social rights, the evaders will not be able to endure this for a long time and will be forced to give themselves up. Such evaders will have this deprivation of rights as a punishment for 10 years after the end of service if they evaded their national service during the time of war.

On second part of this bill, Colonel Razmju said: In the future, all exemptions granted on the basis of being the sole breadwinner will be eliminated. The only ones eligible for exemption under the new bill will be those who have a parent who, according to the opinion of a medical panel, is unable to look after himself or herself and would require the round-the-clock care of someone to nurse him or her, or those who have a minor brother or sister. There is no longer any criteria for income. In all other cases those eligible for service will be drafted and if they have a family which will suffer financially as a result of this, then their families should contact the imam relief committee which will offer them financial aid. The third part deals with medical exemptions in which case every illness and handicap will no longer merit exemption. Only those people whose handicap or illness would prevent continuous service will receive medical exemptions. Other people who may be weak or have a handicap preventing them from active service can carry out their military service in noncombatant positions. Doctors will only receive a medical exemption if they cannot carry out their profession.

CSO: 4640/252

REVOLUTION GUARDS' LEADERS MEET CLERGYMEN IN QOM

GF051340 Tehran KEYHAN in Persian 7 May 83 p 21

[Excerpts] Qom--Brother Mohsen Reza'i, the commander of the Islamic Revolution Guards, members of the Supreme Council of Guards, brother Rafiqdust, the minister of guards, and officials of this ministry met Ayatollah Golpayegani, Ayatollah Montazeri and Ayatollah Meshgini and talked with them. In this meeting, first, brother Mohsin Reza'i reported on the activities of the guards. Then Ayatollah Golpayegani pointed to the destruction of the [words indistinct] of the defunct Tudeh Party and said: doubts had been raised in the minds of some people that maybe Iran was tilting toward the East and the Soviet Union. Our enemies were propagandizing about this, but thanks to God, these arrests have dissipated such doubts from their minds.

Ayatollah Meshgini then said: The arrest of the heads of the traitorous Tudeh Party is a victory and I hope that these kinds of victories will continue. I thank all the brothers who are working on this subject, because this is a special front. It is an underground and hidden front and its effect is bigger and stronger than the foreign fronts.

Ayatollah Meshgini also commented: They started playing politics against Iran many years ago, but the great God destroyed their politics in a very short time. The reason is that we have something that they do not have and that is love and belief in God.

The minister of the Islamic Revolution Guards then said: Today in a meeting with Ayatollah Golpayegani, I reported on the fronts and the arrest of the heads of the defunct Tudeh Party. Afterwards, Ayatollah Golpayegani said: Before these arrests the Muslims of other countries were waiting to see what we were going to do with the Soviets and they have now discovered that the slogan of neither East nor West is true.

CSO: 4640/251

PAPER ANALYZES 'EPIC' OF KHOMEYNI'S 1963 RISE

Tehran KAYHAN INTERNATIONAL in English 4 Jun 83 p 2

[Text]

On the ancient continent of Asia every nation is known for its special characteristics. China is a land noted for the pitilessness of nature. Its people are known for their resistance. India is the museum of religions. It is known for its peacefulness. Japan is a combination of scattered islands shaken continuously by horrible earthquakes. It is known for its talent of reconstruction. And Iran is the land of invasions. It is known for its strange ability in conserving its historico-cultural peculiarities. Due to its geopolitical position, 36-century-old Iran has been invaded by many tribes, great emperors and warriors. In most of them she has been victorious and in a few of them defeated. When Alexander attacked Persia, Persepolis could not resist and gave in. But in subsequent decades and centuries reciprocal attacks were carried out and in the language of defeated people revenge was taken. The remnants of the great Greek warrior were brought under the influential Persian culture inside Iran itself.

Then comes the turn of the Arabs. The Muslims who had responded to the call of Prophet Muhammad (S.A. W.) came to offer the message of Allah to powerful and arrogant Persia. The intelligent defeated Iranians took the content of this message and as soon as the Arabs started to deviate from the Islamic teachings they separated from them. In less than a century Islamic Iran not only conserved Islam and started its campaign against the deviators from the religion of Allah, but influenced the Arabs to such a degree that many powerful men at the top levels had Iranian advisors.

Then come the great warriors of Mongolia. The Islamic Iran was defeated and Mongol dynasties started to establish their rule. In less than a century they were skillfully brought under the influence of the Islamic Iranian culture.

Since then, again and again Iran has been assaulted and thousands of men in this country have fallen for the sake of defending their honor and dignity. And if the future course of

history is going to be like its past, Iran will have to defend itself again and again due to its special geopolitical situation.

For this reason the Iranian people have been the people of epics. Masterpieces made out of the resistance of our men and women keep us alive and fresh, despite our antiquity. When a land with people which is coveted by its avaricious neighbors and its natural resources allure the greedy world conquerors rises to stand before the enemy, epics are naturally created.

What is an epic? The dictionary says it is a long narrative poem about a legendary or historical hero. But this is not complete. An epic is like love. Only a lover can explain it. The great Islamic philosopher Mowlavi says, "When my pen came to write about love it broke." The story of the lover is a special one. Love is the secret of God. And for an epic only he who achieves it can explain. A brave man, who stands to defend the religion of Allah, the moment he swims in his flowing blood makes an epic. A Palestinian mother who sees her child die on her bosom by a bullet from a Zionist soldier and offers her body for the protection of her child receiving other bullets creates an epic at the moment she and her baby are dying.

When a mujahid in Afghanistan is burning in a fire ignited by Soviet planes at the moment of his martyrdom he makes an epic. To make an epic one must be able to forget his "self" and let his soul ascend to the heights. All those who have made epics in Iranian history have had great faith but little means. And their killers have without exception been without the former but equipped with the latter.

We were saying that Iran is the land of epics as may be other lands or other people living on them. But among the epics made, there are those which are the most unforgettable, the most tragic and the most important. Among them is the one made 20 years ago on June 6th. Thousands of men and women, for the same cause with the same slogans ... came to shout for the restoration of the values of Islam. They were armed with faith. They had in their heart only the love for Allah, and the hatred of a regime which had sold out their identity to others in order to remain in power for a few more years.

On that historical day they came to give a positive response to Ayatollah Ruhollah Khomeini. Tehran rose up like Qom. In the narrow alleys of central and southern Tehran small groups were made and each group headed for the central part of the town. Unarmed and unprepared for the imperial soldiers they were encircled as soon as they joined together. Thousands of voices shouted from the depths of their heart that they supported their religious leader Ayatollah Khomeini. And before the echo of their voice died out thousands of bullets rushed towards them to join their call for the freedom of their country from the U.S. domination.

One after the other, children, men and women fell down. And with each falling body one sacred wish died away. And this was how, when the bodies were counted, an estimated 15,000 epics were made. An epic is like a drop of water. When it falls, the cloud thinks that it has lost the drop. But for the earth it is a gift, for the simple reason that rain drops make flowers grow. This is because nature is a very confidential safety vault. It never loses anything. Concerning the bodies which fell on the camp of honor and dignity on the 15th of Khordad 20 years ago, fifteen years later, from each drop of their blood, a hero grew.

Iran is an old country. It has suffered numerous invasions. And Iranian people have always been excellent defenders of not only their lands, but, their Islamic values since they were converted to Islam. To an old country one can attribute many adjectives. Orientalists call us the people of bright civilization and the lovers of poetry. Westerners have called us the richest country in Asia. Revolutionaries call us men who defeated the strongest power in the Middle East with empty hands. We simply believe we are the people of epics. In the unerasable memory of Iran the epics of the 15th of Khordad will remain fresh and prominent forever.

CSO: 4600/693

RAFSANJANI CRITICIZES ENTRY INTO IRAQ OF TURKISH TROOPS

Tehran TEHRAN TIMES in English 4 Jun 83 pp 1, 7

[Text]

TEHRAN (IRNA) — Akbar Hashemi Rafsanjani, Iran's Speaker of the Majlis, said in this week's Friday prayers ceremony here that the entering of Turkish troops into Iraqi territory was "one of the ugliest incidents in recent history". He said many reasons had been given for this incident including that the Iraqi regime was dying out.

He said it was not clear how deep the Turkish troops had gone into Iraqi territory "5 kms, 2 kms, or 30 kms." The objective of this operation, he added, had also been reported in different ways, "suppression of the Kurds, protecting the oil pipes, and making a footstep for the future in Iraq and waiting for the Baathist rule to die. We don't know. Many things could be interpreted from this."

"But," Rafsanjani said, "two countries, one of them is a member of NATO, meaning the western block, and another with claims that it only had relations with the East. Two countries with these specifications, and with territorial disputes, because Turkey has claims over some Iraqi territory, it comes to a point where the Turkish army enters Iraqi territory and they (the Iraqis) do not dare to object and are forced in a situation to say that

they were willing (for this to happen), or even say the truth and say that they (the Iraqis) were really in favour of this.

"This is either a disgrace, meaning that they are so weak that in order to suppress, their own opponents they resort to an army of a country which has territorial claims against it, or it is being a puppet and the United States has ordered such a thing to happen, or it is something which will gradually be revealed. In the end, we don't see any rational justification for this. It might be too early for us to judge and we must wait and we are following the incident very closely. We will speak out our next words on this when it is necessary

"In any case, this should be seen as a sign of weakness and a sign of the day that Saddam is going," he said.

In his first sermon, referring to the birthday anniversary of Imam Mahdi celebrated last week, he said that all godly religious shared a common idea about the advent of a promised savior who will make justice prevail and uproot corruption and tyranny in the world. He said that during the time of the promised Imam, the Twelfth of the immaculate

Imams, the historic desire of man for an ideal and just society will be materialized.

Referring to a tradition from the holy Prophet of Islam, Hashemi Rafsanjani said that public properties will at time of Imam Mahdi be equally divided among people and no tyrannical economic relation will be left to the extent that no poor will be found in the whole world.

Commenting on the anniversary of 15 of Khordad, when the Islamic movement of Imam Khomeini against the corrupt and tyrannical rule of the ex-Shah began some twenty years ago, said it heralded the dawn of the Islamic Revolution of 1979. Later speaking about the characteristics of Imam Khomeini, the leader of the Islamic movement, he said that he himself for almost thirty years of relation, as a student and supporter of Imam, had observed no weakness in him.

He remarked that Imam, being firm in his decision makings, still listens to various views on the matter and

comes out with his own decision after a sound and thorough evaluation of the situation.

The pre-sermon speaker in this week's Friday prayers was Hojjatoleslam Falsafi who analysed the Islamic movement of the people in 1963 under the leadership of Imam on 15 of Khordad.

"The Shah's commandos, after their so-called conquest of Faizieh Theological School thought that they had put off the flames of the Islamic Revolution. While on the contrary, it was this same bloody event which paved the way for the great Islamic Revolution. The ulama, after the incident, turned their pulpits to bases for awakening the masses of Moslem people to realities," he said.

Referring to the murder of over 15,000 people at the hands of the brutal forces of the Shah, Falsafi stressed that the revolt of 15 of Khordad was the very incident that sparkled the flames of the present victorious Islamic Revolution of the Iranian Moslems.

CSO: 4600/694

DEPENDENCE ON FOREIGN LOANS, INCREASE IN DEBT CRITICIZED

Lahore NAWA-I-WAQT in Urdu 30 Apr 83 p 3

[Editorial: "It Is a Matter of Making Ourselves Happy"]

[Text] Federal Ministry of Finance and Economic Affairs sources say that the increase in the burden of loans in Pakistan is comparatively less than that of other oil-importing countries like Pakistan. These sources also say that a major portion of these loans from other countries is being used to pay older loans obtained over the past 3 decades.

Such information is tantamount to administering sugarcoated pills. It is not out of place to assert here that efforts to dissipate the concern and anxiety of the people with respect to foreign loans are just a way of keeping ourselves contented and happy, because the facts and figures provided by these very sources about the foreign debt and the gradual increase in the amount of installments, interest and so forth do not give ground for satisfaction which appears to be the goal of these sources.

According to these sources, the burden of foreign loans borne by Pakistan amounted to \$4.3 billion in January 1972, and this burden rose to \$6.4 billion in January 1977, just a little before the present rulers took control of the government and to approximately \$9 billion by December 1982. These sources also say that in 1977 we had to pay \$522 million in interest and debt installments on the foreign loans. Now the annual debt servicing figure has reached \$9 billion.

A casual glance at these figures prompts one to think that if loans taken 3 decades ago are causing so much anguish today, how much more concern and trouble will the loans now obtained cause to the country and nation in the years to come. From the time of the late Ayub Khan's rule, it has undoubtedly become customary to blame former regimes for all the prevailing ills and this way of thinking continues to this day. But this can in no way be said to be a positive, constructive and responsible approach to the problem. On the contrary the present rulers should make it a matter of principle to understand that if the ills that they blame on their predecessors prevail and continue to grow with time, then how will their successors have any kind words for them.

The burden of foreign debts concerns not only governments but is a matter of utmost importance for the country and the people as well. Governments come and go but the people and the country go on forever and their interests should be given top priority. If we were to take into consideration the arguments put forth by the Ministry of Finance and its sources, then we would see that the interest and installments for the loans obtained over the past 3 decades have risen to \$900 million annually. By the same token, in the next 5-10 years the burden of foreign debts would have reached \$12-13 billion; we can just imagine what the annual interest and installments would be then.

For the past few years, the income of Pakistanis living abroad, besides benefiting themselves, has also proved to be a windfall for the country and the people. The foreign exchange they send annually to Pakistan is almost equivalent to the foreign exchange that Pakistan earns from all its exports. This has been of great help in keeping Pakistan free from financial difficulties. But the income of Pakistanis living abroad cannot continue forever. The Ministry of Finance and Economic Affairs sources who are not only experts in their field but are known as financial wizards, should explore ways and means of making a better and more secure use of the income of Pakistanis living in foreign countries as long as it is available. Is it advisable for a country like ours burdened with debt, to become accustomed to nonproductive expenses and to an artificial standard of living? Another matter that is worth considering is whether we can withstand an unorganized but large-scale parallel system of commerce based on smuggling.

9315

CSO: 4656/176

DEBT PORTFOLIO DISCUSSED; CAUTION VOICED

Karachi ECONOMIC REVIEW in English May 83 pp 17-18

[Article by Syed Mehdi Mustafa]

[Text] *Pakistan external indebtedness has risen progressively to \$11.0 billion. Despite the change that has taken place in the external debt and servicing liability, Pakistan's external indebtedness as a proportion of GNP is considered to be very high in all official studies.*

The Aid to Pakistan Consortium meeting in Paris in April 1983, committed \$1406 million for 1983-84 against a commitment of \$1115 million in the current fiscal year, representing an increase of 26 per cent. The commitment for 1983-84 was slightly in excess of Pakistan's request of \$1350 million. Japan, France, Germany, Italy and Netherlands have still to make their commitments for 1983-84 and it is hoped that the total assistance provided by them for the next fiscal year would be \$94 million, raising the total commitment for 1983-84 to \$1500 million.

The redeeming feature of the 1983-84 commitment is the higher proportion of commodity aid as against project assistance. While project assistance in 1983-84 is to rise by 9.0 per cent to \$920 million over the 1982-83 commitment of \$844 million, the commodity assistance commitment for 1983-84 represents an increase of 79.0 per cent to \$483 million against \$271 million in 1982-83.

In addition to the above commitments, the Consortium countries have also pledged \$332 million for the Afghan Refugees during 1983-84 against \$230 mil-

ion pledged for the same purpose in the current fiscal year.

Most of the assistance committed during 1983-84 would be on relatively soft terms. The Consortium pledge would bear an average interest rate of 3.2 per cent per annum and the assistance would be repayable over a period of 27 years with a grace period of 8 years. Credit from the financial institutions including the World Bank and the Asian Development Bank would be repayable over a longer period of 29 years with a grace period of 8 years, but the interest charged would be higher at 4.37 per cent per annum.

While the higher commitment pledged by the Consortium for 1983-84 can rightly be interpreted as a vote of confidence in Pakistan's economy, the assistance that we have received needs to be viewed in the larger context of our total external indebtedness and servicing liabilities.

Pakistan's total external indebtedness has risen progressively from \$4.0 billion in 1972-73 to \$6.9 billion in 1976-77 and stood at \$9.0 billion at the end of December 1981. The current estimates are that the external indebtedness amounts to \$11.0 billion. Since the composition of the external assistance that we have been receiving has been undergoing structural changes over the years, Pakistan's debt servicing liability has also increased progressively. The debt servicing liability which was only \$193 million in 1972-73 rose to \$355 million in 1976-77 and stood at \$631 million in 1981-82. It may be noted here that the debt servicing liability for 1981-82 was net of the debt relief amounting to \$275.4 million during the year.

Such a progressively rising trend of outstanding debt and the servicing liability has been a constant cause for concern for the planners of the country. There is no denying the fact that Pakistan's external debt as a proportion of its GNP and its servicing liability as a proportion of its export earning have improved considerably over the last decade but the quantum of both is fairly large. In 1972-73 our outstanding disbursed external debt represented 64.64 per cent of our total GNP, a proportion which came down to 48.39 per cent in 1976-77 and currently stands at only 31.05 per cent. The debt servicing liability as a per cent of our export earnings which deteriorated from 23.61 per cent in 1972-73 to 31.12 per cent in 1976-77 has now improved to 25.73 per cent. Despite the change that

has taken place in the external debt and the servicing liability, Pakistan's external indebtedness as a proportion of its GNP is considered to be very high in all official studies.

A number of factors have been responsible for the progressive deterioration in Pakistan's debt portfolio. While the gross aid inflows have tended to hover in the region of about \$1.0 billion during the last five to seven years, net inflows, in nominal terms, have declined progressively from \$760 million in 1974-75 to \$385 million in 1981-82. In real terms the drop has still been sharper and for 1981-82 it was estimated at only \$163 million. This deterioration has been accompanied by a gradual shift towards project assistance instead of quickly disbursing commodity assistance. Non-project assistance declined from \$730 million in 1974-75 to \$333 million in 1981-82. After allowing for debt servicing liability the net inflow on account of non-project assistance reversed sharply from a net inflow of \$475 million in 1974-75 to a net outflow of \$395 million in 1981-82.

The position would have been even worse if the amount of concessional assistance had not increased during the last few years. The amount of concessional assistance, inclusive of debt relief, has increased from 17 per cent in 1976-77 to 32 per cent in 1981-82. During the same period the proportion of loans repayable in foreign exchange has gone down from 83 per cent to 68 per cent.

Other factors of equal importance have also been contributing to the deterioration in Pakistan's total external debt liabilities. One of these is the continued dependence on external assistance for financing our development programmes. Although the contribution of external resources in financing the Federal ADP has gone down from 69.96 per cent in 1976-77 to 46.26 per cent in 1981-82, such a dependence is still very high by any standard. The recourse to such a high level of dependence on external assistance is essentially because our rate of savings has been abysmally poor throughout the last few years. While the rate of national savings as a percentage of GNP has tended to hover in the region of 12 per cent during the last five years, the rate of domestic savings as a proportion of GDP has come down to only about 5 per cent. Unless domestic resources are increased appreciably in the near future, Pakistan's dependence on external assistance would continue to be large.

Certain extraneous factors have also been exerting their influence leading to a greater recourse to external assistance. One of these has been the recent decrease that we have experienced in our export sector. Pakistan's earnings through export went down by 17 per cent in 1981-82 over the previous year after having recorded an average annual growth of 25 per cent during the preceding four years. The import payments throughout the last five years have been progressively rising and our balance on the trade account has generally tended to be higher than our total export earnings. But for the remittances that we receive from our expatriates, Pakistan's management of its balance of payments situation would have become very difficult. The current account deficit throughout the last five to seven years has tended to be in the region of \$1.0 billion and for 1981-82 it was estimated at \$1.6 billion. Some projections have been made and it is hoped that in 1983-84 the current account deficit would improve to \$950 million. Even the covering of this current account deficit would require considerable dependence on net inflow of external assistance.

While Pakistan can take comfort in the fact that its total debt as well as servicing liability situation is far better than in case of some of the countries of East Europe and Latin America, it must exercise caution lest it finds itself in their situation. The present trend is that we are mortgaging the interests of our posterity to foreign creditors; this trend needs to be reversed.

—Syed Mehdi Mustafa

CSO: 4600/692

MRD ACCUSED OF PROLONGING MARTIAL LAW

Rawalpindi HURMAT in Urdu 28 Apr 83 p 5

[Editorial: "Who Is Responsible for Prolonging The Martial Law?"]

[Text] Rao Abdul Rashid, secretary general of MRD [Movement for the Restoration of Democracy], Punjab, after being released from prison severely criticized (possibly at someone's bidding) MRD's national leadership; the echoes of this criticism are still being heard. Before joining politics through the back door and becoming a politician overnight, Mr Rao Rashid was a police officer. The tone of his speech discussing and assessing the inactivity of MRD's national leadership was exactly that of a police officer who is engaged in beating an accused person senseless. Even though his political status and his right to insult politicians of national standing can be challenged, everyone will agree with his view that the leadership of MRD has limited its activities to eating dinners and having its pictures published in newspapers. But we do not agree with his view that the leaders of MRD who are out of jail are not exhibiting the necessary courage and resolve.

In our view, MRD was formed not to exhibit the necessary courage and resolve but to dampen courage and resolve, by design. As such, it is wrong to expect any positive thinking or action from an unreal and unnatural alliance formed with negative aims and objectives in mind.

MRD, the opposition party in today's Pakistan, is in reality composed of erstwhile PPP elements or of people like Mairaj Mohammad Khan and Fatehyab Ali Khan, PPP rejects. It is thus highly unnatural that a religious party like that of the late Maulana Mufti Mahmud or a party like Tehrik e Istiqlal should join MRD, or that an elder statesman like Khwaja Khairuddin should support and be a spokesman for an alliance like MRD. After all, wasn't it Tehrik-e Istiqlal that called out for the execution of [PPP chairman] Bhutto at the Kohala Bridge, and isn't it in the nature of Khwaja Khairuddin not to do anything without prior permission of the government?

We believe that if the so-called MRD had not been formed and that if only the defunct PPP were to truly perform the functions of the opposition party, the goal of ending martial law and restoring democracy would be much closer. At this time, PPP does not have any positive and constructive program. It

is true that there are in this party moderate politicians like Ghulam Mustafa Jatoi, but its real leadership lies in the hands of extremists living inside the country and abroad who advocate violence. Such elements believe in one slogan and one program only, and that is "vengeance." If the slogan of these extremists is revenge alone, it is quite possible that some people having similar mentality and views would support them. These unfortunate extremists, in order to avenge themselves, have even put the very fate of Pakistan on the line. In order to achieve their goal they are even ready to welcome Indira Gandhi or Andropov on Pakistani soil.

Against this background, how can the so-called MRD have the support of the people? Under these circumstances, who will give any importance to the ostensible and hollow slogans of MRD? It is our firm belief that these are the people who are responsible for prolonging martial law in the country, and these are the very people who are creating obstacles in the path of restoring democracy.

9315

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ANTI-ZIA MOVEMENT IN ARMY RANKS CLAIMED

Cochin THE WEEK in English 5-11 Jun 83 pp 16-17

[Text]

TWO things happened in the days following the fourth anniversary of the execution of Pakistan's only elected prime minister, Z A Bhutto, on April 4. One was made into a major media event. The other found no place in Pakistan's censored press, but did cause a minor sensation in official quarters.

The first, a politician-style tour of Bhutto's Sind province by Pakistan's military ruler Gen Zia-ul Haq within two weeks of a massive rally at his grave in Larkana, indicated that the general was at last feeling confident to bury the ghost of the man he toppled in July 1977.

But there were ominous signs of a new spectre on the horizon in the second event—an open call by a group of dissident young officers of the armed forces to rise against the “despicable gang of corrupt, semi-literate, ageing generals”. Politics had finally reached the lion's very own lair.

If in the first, the country's banned politicians saw “the beginning of the beginning”, the second could well be the beginning of the end; but not the end Pakistan's feudal politicians have fondly hoped for while playing their little games in their drawing rooms or over sumptuous lunches and dinners.

But Gen Zia appeared unworried as he put away his military uniform and donned the traditional *salwar kameez* and waistcoat to address small public meetings dubbed as “civic jalsas” at Sukkur, Khairpur, Larkana, Nawabshah, Tando Adam and Hyderabad in Sind and finally at Gujranwala in the heartland of Punjab where a jealous civil and military bureaucracy managed to herd a large crowd to the National Stadium.

To go by reports in the official media, there were welcome arches, flags, buntings and banners. Cars festooned with pictures, placards and stickers joined the presidential motorcade as women watched from balconies, windows and rooftops.

No wonder the general was convinced that the people of Sind were in favour of extending the martial law for another six years. But “I don't agree with them”, he told reporters in Lahore as he coined more riddles to keep the political pundits amused with their guessing games. Sample some:

- He does not intend to make any structural changes in the 1973 suspended the Constitution, but the 1973 Constitution is not like the Holy Koran in which no changes are permissible.

- A political framework is a must for running the affairs of the nation and political parties are a *sine qua non* in politics, but he is still considering whether to give some role to political parties.

- He has no intention whatsoever of forming a political party of his own, but only the God almighty knows about the future.

- And finally, “I have no political aspirations. But I am as much a politician as anybody else”.

But the great guessing game has started in right earnest with one analyst chalking out a three-phase campaign for what he called “Ayubisation of the marital law”—a reference to the structure Pakistan's first military ruler Field Marshal Ayub Khan started building around 1962 and which came tumbling down with his exit in 1969.

The first phase of "Testing the waters" has begun and would last till mid-August by when Gen Zia has promised to announce a new political structure for the country, it was suggested. The second "Opening up" phase would probably coincide with the holding of promised elections to the local bodies in October or November. And finally "Taking the plunge", Gen Zia would himself directly enter the political arena after studying the shape of things after the local bodies elections.

A more probable scenario has been suggested by a former chief of intelligence during the Ayub days, A B Awan, who thinks Gen Zia will soon follow up his tour of Sind with a mass contact programme in the Punjab before it gets too hot—weatherwise.

A referendum of sorts would follow in November on one issue alone—*Nizame Islam* (Islamic system), yes or no. And there would be a thundering positive response, says Awan. A brief campaign on "who will give you this" theme would come next to be followed by the announcement for an election or referendum for a president.

Gen Zia claims to have developed a sixth sense after being in power for close to six years which tells him that he would stay in the saddle for another two or three years at least, but Awan warns, using his own sixth sense, that there would be trouble if there is only one candidate in the presidential election.

Whatever course the general might adopt would hang a great deal on the promised elections to the local bodies, agree most observers of the Pakistani scene. For it was the results of the last local bodies elections in

October 1979, which saw a large number of Bhutto supporters get in under the label of "Awam Dost" (Friends of the People), that forced Gen Zia to postpone the promised general elections indefinitely.

The general, who came to power in what was dubbed "Operation Fair-play" acting as referee between Bhutto's Pakistan People's Party and the rival Pakistan National Alliance, with an assurance to return to the barracks within 90 days, has ever since cited possible absence of "positive results"—a euphemism for keeping PPP at bay, for not keeping his promise.

This time Gen Zia is taking no chances and has publicly declared that persons with the remotest connection with a political party would not be allowed to contest the local bodies elections. Thus Gen Zia might find no challenge to his designs from the "drawing room" political parties, but his apperance could still be upset by the rise of a new challenge within his only real constituency—the army.

Nobody knows for sure who they are or whether actually there is a group of dissident young officers which styles itself as the Muslim Fauji Biradiri (Muslim military brotherhood) or it is only a red herring run by the general's opponents outside, but they appear to be getting increasingly bold in their clandestinely distributed mis-sives to the people.

The activities of the dissident group first came to notice last September when they issued an appeal to American Congressmen to force the Reagan administration to stop all aid to "Zia's repressive regime".

The "semi-literate, ageing generals" who ruled Pakistan, it said "force us young officers to participate in meetings of various control committees and court sessions" instead of doing their duty as soldiers to defend the country. And American weapons would actually be used for continued repression.

Then vowing to "spread the truth about the bloody activities of Zia and his benchmen", they distributed pamphlets listing what they said were constitutional, judicial and human rights violations under the army rule.

"Hundreds of people have been flogged, sometimes in public with live broadcast on national television. The regime proudly claims that it hangs 800 people a year. Men and women are sentenced to death by stoning, tortured to death in jails, and their limbs may be amputated," it said.

Various forms of torture reported included: electric shocks, pulling out nails, cigarette burns and inflicting pain on genitals. Physical abuse and torture were commonly meted out to political and trade union workers and political prisoners suffered worse than ordinary criminals. According to one report, the wife of a former minister was forced to keep company with snakes in her cell. In many instances,

prisoners were reported to have fallen unconscious while being whipped.

Finally, in the month following the April 4 anniversary of Bhutto's execution, the group issued an open letter to "Muslims, compatriots, friends of Pakistan abroad" to "raise the voice of protest in all international forums. Picket embassies and missions. Let us join forces, both in and outside the country."

Using a string of expletives like "repressive", "usurpers", "bloody", "corrupt", "hated" and "despicable", the dissident officers said the "gang of generals" was not thinking of how to defend Pakistan, but of how to line their own pockets. Corruption flourished everywhere.

But Gen Zia's hopes of meeting this new challenge would appear to hinge on one question—whether the rebels really want to "free" Pakistan, as they proclaim, or merely want their own pound of flesh.

CSO: 4600/692

SO-CALLED JOINT VENTURES SEEN AS FAVORING U.S.

Karachi ECONOMIC REVIEW in English May 83 pp 5-8

[Article by Agha M. Ghouse]

[Text]

Future prospects for joint ventures between USA and Pakistan rests on the comparative advantage for both the countries purely on economic terms if implementation on the twenty selected areas/projects is taken up immediately.

After the departure of U.S. Investment Mission at the end of April 1983, there have been anxious assessments on the prospects of 22 industrial joint ventures announced by the Mission. It was quite clear that some of these projects were not selected by the OPIC mission during its week-long negotiations with the Pakistani interests but had already been on the anvil and were included in the list.

Nevertheless the critical question being asked by the private enterprise of Pakistan as well as the general public concerned with U.S. — Pakistan economic co-operation, is about the implementation of these projects in the near future.

Admittedly, the press coverage given to the statements made by the Pakistani authorities and the leader of the visiting OPIC mission, was so wide that any slow-down in the process of implementation of these joint ventures will prove to be counter productive. Too much is at stake so far as U.S.— Pakistan political and economic relations are concerned in this part of the world.

Indeed, so many businessmen and industrialists of Pakistan who had personal discussions with the U.S. delegates, found themselves disappointed that concrete

response about equity or technology transfer was not forthcoming. Many of them could not meet them at all despite the earnest efforts made by the Pakistani Chambers/Associations and the U.S. Consulate Staff. Moreover, considerable time of the mission members was taken by official meetings and discussions with Government authorities and institutions.

Here, a crucial question can be posed. Whose joint ventures were being discussed? Although the question may appear unwarranted because a joint venture is, of course, based on two or more countries and would involve two or more partners. In the case of the OPIC.

Investment mission, it was the mission which was engaged in selecting and deciding upon the areas of joint ventures specifically in Pakistan. In other words it was the joint industrial ventures of United States located in Pakistan as decided by the United States Government and private industrialists with a common objective, rather than the other way round from the Pakistani side. Indeed, the initiative and the path of decision — making rests dynamically with the United States. This makes all the difference to the ultimate fate of the 22 industrial ventures announced by the OPIC mission prior to its departure to United States.

"Cautious Optimism" is the correct assessment made by most of the commentators on the ultimate outcome of the joint-industrial ventures selected by the U.S. mission.

Recent years have witnessed the emergence of closer and deeper political understanding between U.S.A. and Pakistan. This has reflected itself in economic collaboration also. Symptoms of positive approaches on the part of U.S.A. are discernible in many directions such as the OPIC Investors Mission and the assurance of adequate aid for 1983-84 by the Aid to Pakistan Consortium.

Both President Reagan of U.S.A. and President Zia of Pakistan have taken necessary steps for achieving the maximum results from the OPIC Investment mission. The leader of the mission Mr. Ebersole Gaines stated on arrival in Pakistan that "President Reagan had directed them to visit Pakistan to explore possibilities of investing in this country."

Nevertheless, many of Pakistan entrepreneurs who presented joint venture briefs and had discussions in OPIC mission could not know exact role that would

be played by it. The OPIC is a U.S. Government Agency that provides financial services and political risk insurance to encourage U.S. private interest in the world's developing countries. Therefore, it cannot enter into actual partnership contracts on the spot with Pakistan entrepreneurs. On the other hand, letters of understanding has been signed between the delegates and Pakistani interests on selected areas and specified projects.

In order to convert these letters of intent into actual joint venture agreements, the duty of Pakistani entrepreneurs becomes significant. They must hasten to finalise "Feasibility" reports as complete as possible and then start negotiations.

An apparent weakness of the OPIC Mission was that its delegates were unable to enter into actual agreements even in cases where the details were helpfully complete. It is reported that some of the delegates had expressed the view that they would be concerned with the prospects of supplying the necessary technology or raw material etc. from their organizations as and when joint ventures would be agreed upon between Pakistani entrepreneurs and some other interested financiers of U.S.A. This gave way to a widespread misunderstanding among the Pakistani parties that the U.S. delegates were more a sales mission rather than an investment mission. For example, in the case of cattle farming projects, some of the delegates represented

U.S. interests who would be willing to provide the supply of cattle for importation by Pakistan.

My own view would be that as the OPIC Mission had more than 200 specific project profiles on opportunities for U.S. investment in Pakistan long before it left for Pakistan (after a few months postponement from November 1982 to April 1983), the Mission must have included the direct participants from U.S.A. on Joint-ventures with Pakistanis through equity provision etc. In other words, the question of measuring and appraising the investment climate in Pakistan is still going on in the minds of the U.S. interests while the Pakistani expectations have crossed the formative border into actual performance region.

Sanction of Projects

I am not trying to minimise the positive impact of the visit of U.S. Investment Mission to Pakistan. Let me emphasise the unprecedented policy directive given by the President of Pakistan for ensuring the success of the U.S. mission. A two-man committee consisting of Federal Finance Secretary and Federal Industries Secretary was formed to immediately decide upon the projects selected by the U.S. mission and give provisional clearance from the government side. Moreover, within four weeks of the departure of the U.S. Mission, final clearance and approval would have been given.

Now, this calls for the meeting of intending partners for joint-industrial ventures from the U.S. and Pakistani sides. This has not taken place in right perspective as was anticipated in Pakistan in the Federation of Pakistan Chambers of Commerce and Industry and other private entrepreneurial circles. Certainly, the public relations approach for the OPIC Mission has over-reacted itself than in its essentials.

The Pakistani interests do recognise that so long as finance plays such a critical role in international joint ventures, the U.S. interests with surplus investible funds would have an upper hand and they can play their cards throughout the developing world wherever the maximum security (political) and profitability (investment) dictates. Same is the case with technology which U.S.A. possesses.

Indeed, in the contemporary world, finance and technology have become more powerful than the other ingredients of raw-materials and cheap labour which go to justify joint international ventures. The well tested economic theory of Comparative Advantage and specialization in production among nations for ultimately increasing world production and expanding world trade, is often ignored by the industrially advanced countries which is one of the major factors for the present day world economic depression and higher unemployment rates in the industrial countries themselves.

My optimism on the future prospects for joint ventures between U.S.A. and Pakistan rests on the comparative advantage for both the countries purely on economic terms if implementation on the twenty-two selected areas/projects is taken up immediately.

Even now U.S.A. heads the list of foreign countries which have large investments in Pakistan and we have full understanding on the American management techniques and its marketing outlets throughout the world.

In fact, the stage is well set between U.S.A. and Pakistan for the promotion of Import-substituting industries of high-technology (such as computers, hydrocarbon, engineering, medical and electronic items) as well as export-promotion industries based on Pakistani raw-materials and manpower (such as cattle-farming, fisheries, fruit/vegetable processing, minerals development etc).

There can be no risks at all involved to U.S. investors entering the Pakistani potential fields of investment because of the following plus points:-

- a) The U.S. Government itself will under-write the risks involved in investment in Pakistan, whatever, that may mean to them, following the guarantees proposed by the OPIC mission in respect of specific projects.
- b) The private entrepreneurs of Pakistan are certainly eager to enter into joint venture agreements with U.S. interests and in fact they are complaining about lack of opportunities for them to discuss with U.S. investors who are really keen.
- c) The Government of Pakistan are not only committed to help the private enterprise of Pakistan but also to sanction concrete joint-venture projects within four weeks of their proposal by the U.S. investors.
- d) The Middle East market has natural attraction for Pakistani goods and the combination of U.S. and Pakistani interests are natural in their collaboration leading to harmonious triangular deals between Arabs, Pakistanis and Americans.
- e) When the general agreement is forthcoming, P.L. 480 funds of U.S.A. in Pakistan can be utilized for helping either the U.S. investors or the Pakistani entrepreneurs or both for the preparation of final feasibility reports on specific projects.

Despite these plus points, the reason why caution is expressed on the emerging U.S. Pakistan joint-industrial ventures is largely due to some of the views expressed by members of the OPIC mission itself in their private discussions and also arising from continued shortage of electricity, gas and other infrastructure in

Pakistan. Pakistani authorities and entrepreneurs themselves do not seem to be sure on the adequate supply of energy in the coming two years. There is thus a 'vicious circle' still operating in Pakistan in respect of industrialization.

I should conclude here by noting that the exercise undertaken so far by U.S. Investors Mission and its identification of 22 joint-venture projects would in itself infuse greater confidence in the minds of Pakistani entrepreneurs and they should strive hard to attract necessary equity from overseas Pakistanis residing in U.S.A. and Middle East and go ahead with these joint-ventures. Then I shall call them the joint-ventures of Pakistani entrepreneurs to be located in Pakistan through their own commitment and seeking support from whatever country they can find. The ball is now in the court of Pakistani entrepreneurs and they should make a return visit to U.S.A. in right earnest and sign agreements as speedily as possible. -- *Agha M. Ghouse*

CSO: 4600/692

PROPOSAL TO BAN STUDENT UNIONS CRITICIZED

Lahore VIEWPOINT in English 2 Jun 83 p 8

[Text]

PERHAPS, it is fortunate that the current Punjab Council does not enjoy even the limited authority and influence allowed by the British to its first namesake, which was created long years ago to introduce selected natives to the ABC of how representative institutions function.

Since the present body is innocuous, powerless hence inoffensive, and politically almost inodorous, no one has taken serious objection to its existence, except to point out sometimes that its periodic occupation of the Provincial Assembly Chamber is one more instance of a waste of public funds, by allowing a group of the administration's nominees the trappings and perks normally sanctioned for legislators and permitting the Council to perform some of the rituals reserved for a representative legislative body. The charade will, of course, continue, and it will continue to be tolerated as long as it does no real harm. But when it is noticed that the Council-members seek to touch on public policies, and that they rarely reflect public opinion, people will begin to feel that these gentlemen should confine themselves to commenting on the administration's menial duties and urge improvement in these tasks, maintaining a cautious, safer silence on bigger matters.

Out of bounds

If anything more is sought to be done, the Council is likely to provoke sharp criticism. An example of such stepping out of bounds is provided by the Punjab Council's recommendation that all student unions in the Province should be banned. That the Council has belatedly become aware of campus violence and thinks that it does harm to students will cause surprise. Whether the body has just woken up from

its prolonged somnolence or was nudged by its bureaucratic advisers to sit up and take notice of this issue, the remedy proposed is clearly not the answer to the problem. That the NWFP Government has acted in this manner provides no justification. Why does not someone in or near the Government probe the basic causes of student troubles? Why does not someone ask why the Vice-Chancellors or Principals are unwilling or unable to take the simple steps that would help restore discipline in educational institutions? Why cannot Authority ensure that the caches of illegal arms kept in or near student hostels are recovered from all student groups? Why is one brand of student activist allowed to

rampage on the campuses, browbeat (even beat) boys and girls, in order to make them accept one particular student leadership?

Ridding the administration in the seats of higher learning of gentlemen with peculiar quirks of behaviour, and replacing them by genuine educationists who have no bias and no ties with any political party, would help greatly to restore the required balance in the management of educational institutions. At the same time, Authority must undertake a thorough and effective disarmament campaign on campuses, so that not even licensed arms or other lethal weapons can be kept by students in their hostels or in universities and colleges. Then, proctors should be appointed to ensure that these directives are carried out and that no armed outsiders are permitted to rush to the help of their proteges before or during student elections.

It is such measures that are needed and not a blanket ban on unions which is unlikely to serve the purpose of establishing peace on the campuses, and could easily drive students activities underground with still greater danger of the eruption of violence.

CSO: 4600/692

JI CHARGED WITH INTERFERENCE IN MUJAHEDIN AFFAIRS

Lahore VIEWPOINT in English 2 Jun 83 p 16

[Text]

THE Islamic Unity of Afghan Mujahideen — comprising Harkat-i-Inqilabi Islami, Mahaz Milli Islami and Jazba Milli Nijat — has accused the Muslim Brotherhood (Ikhwanul Muslimeen) and the Jamaat-i-Islami of Pakistan for 'improper' interference in the internal affairs of the Afghan Mujahideen while "they have no knowledge of the 'jihad' situation and the intentions and ideals of the Muslim nation of Afghanistan".

A Press release of the IUAM issued here on Friday disclosed that some months back it had extended an invitation to the Jamiat-i-Islami (of Afghanistan) and the two factions of Hazb-i-Islami for unity among the different groups of the Mujahideens.

Commenting on the recent reports of unification of all groups of Mujahideen, the Press release said that Prof. Sayaf had been appointed as the

Chairman only by the Hizb-i-Islami and Jamiat-i-Islami, while the three groups representing Islamic Unity were not covered by the agreement.

Political observers here have attached great significance to the IUAM statement, especially its allegation relating to the involvement of the Muslim Brotherhood and the Jamaat-i-Islami of Pakistan in the affairs of Mujahideen.

Mian Tufail, Amir of the Jamaat, a few days back sent a message of congratulations to Prof. Sayaf praising his efforts for uniting the Mujahideen under a single banner.

Political observers are of the view that the statement of the IUAM has shown to what extent the Islamic fundamentalists are involved in the war against the Kabul Government.

CSO: 4600/692

INDIAN VIEW OF PAKISTANI PRESS PROVIDED

Lahore VIEWPOINT in English 2 Jun 83 p 34

[Text] One way of looking at the offensive cartoons on India and Indian leaders in some Pakistani publications is to understand that since they cannot write anything critical against their own government, they are doing the next best thing--attacking a neighbour. But that, of course, is no excuse for cartoons in such bad taste appearing in the government-controlled Press and India's Embassy has done well to protest at their publication.

What seems to have riled Pakistan's cartoonists most seems to be the success of Attenborough's "Gandhi." The Mahatma is now made out to be an outright Hindu communalist. That was why presumably a Hindu fanatic assassinated him. But Pakistan's cartoonists cannot be expected to know the history of India's political struggle. After all, Pakistan's history begins from August 14, 1947. From there, they will have to hark back to Aurangzeb.

There are only two countries in the world that have made religion the test for nationhood. These are Pakistan and Israel. Gen Zia-ul-Haq has now gone the whole hog and taken the country to fundamentalism. That is logical enough. For such a country to blame India for its lack of a secularist approach is not only stupid but ludicrous. Next, Pakistani cartoonists will be blaming India for abandoning democracy and representative institutions.

However, cartoonists must also live in this precarious world. They have to maintain families and give their children some sort of education even if it is only a religious education. They have to bribe the right people to influence events and so on. Pakistan's cartoonists know that the easiest and most acceptable method of earning a living by the exercise of an exiguous art is to attack India. What is more, they don't even have to be funny.--'THE OVERSEAS HINDUSTAN TIMES,' May 19

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CULTURAL SUBVERSION SAID CONDUCTED BY INDIA, JEWS, WEST

Lahore NAWA-I-WAQT in Urdu 29 Apr 83 p 3

[Article by Prof Ghulman Rasul Tanvir: "Intense Cultural Attacks on Pakistan: Pay Heed to Your Country, O Foolish Man, for the Day of Judgment Is Near"]

[Text] Pakistan has been the target of an intense "cultural attack" for the past 10 or 11 years; but our forces at the front are quiet and the enemy has deeply penetrated our lines.

Many narrow brushes with disaster and meaningful incidents have occurred during Pakistan's brief history. How we are brought to the brink of these crises and who was responsible for them are questions that have never been investigated with full deliberation and thought. The first serious result of this neglect was the division of the country. But the neglect not only continues but has deepened.

Why did we not consider it necessary to investigate, on an official or unofficial basis, the following phenomenon? In 1971, after Pakistan was divided as a result of the concerted efforts of India and Russia, the nation awoke with a shudder from this severe shock. Observers of this unbearable tragedy saw that suddenly, in the space of a few months, our cinemas were flooded with blue films and our bookstores overflowed with foreign sensational sex literature (in English) and cheap sex magazines. Our film industry stated making low-grade films and shorts. All these things happened so fast after the national tragedy that the awakening nation's course and the whole atmosphere of national energy changed. The people who had taken to the streets shouting rousing slogans, bent on unmasking plots and bringing the culprits to punishment, suddenly rushed instead into the cinema houses; and instead of breaking crates of wine in mansions, they started to break furniture in movie houses because they did not show shorts. Why did this happen? Who were the domestic and foreign magicians who put to sleep again a nation that was beginning to awaken?

It is clear that all this did not happen accidentally. This flood did not burst out by itself so soon after the national tragedy but was let loose from outside by secret agents and through secret routes. It was not difficult then and is not difficult still to find out how and through whom these blue films got here and who were the outside individuals and institutions supplying

them. In the same way, no special scientific instruments are necessary to uncover the sources that supplied the huge quantities of cheap literature and the route by which it got here. Who started the cheap magazines here under new or old permits? What were their resources and why did they consider it necessary to undertake this action in these difficult times? No special machinery is needed to prepare an investigative report on these matters. The task should have been undertaken long ago and should still be done quickly because the effort started in 1971 to break up Pakistan is still being pursued effectively on a different front. But we are again indulging in our historic neglect. We should immediately appoint a special branch of the secret service to investigate this important matter.

The Jews undertook such a thorough investigation into the cruel treatment they received at the hands of the Nazis and stretched their investigation to such lengths that they were able to find the real culprits in their secret hiding places and punish them. The greatest irony of history is that these same Jews are now committing crime upon crime in Muslim countries and no one is keeping watch on these crimes nor are any special plans being drawn up to prevent them. Muslim countries, including Pakistan, are the victims of a very well-organized and secret cultural attack that takes the same form everywhere and, notably, the negative reaction to it is always the same, too. The slow poisoning of the Islamic world is so effective that it will not be necessary to resort to armed force in order to, God forbid, conquer the Muslims.

This cultural poison is reaching every home in Pakistan through different routes. The well-to-do are the victims, but the middle class are also rapidly participating in imbibing this secret poison. This poison is being distributed among our upper classes through books and magazines found in English-language book stores, through cassettes and video tapes sold in cassette stores. The middle classes obtain this poison through cassettes and small commercial libraries. The most disturbing aspect of this problem is that the young, who will inherit the management of the country in the future, are the victims of this poison. According to a former vice chancellor, the novels the young read nowadays are such that, in the words of the famous verse, the secret, if asked, cannot be hidden.

Compared to these books, D H Lawrence's notorious novel, "Lady Chatterley's Lover," is quite tame. These novels are flooding the bookstores and the competition is on not to find the best but the most obscene form of literature. The writers seem to be competing in the production of the most flagrant sexual literature. Unfortunately, our young, the hope of the future, are feeding on this mental garbage and we stand aside, watching. The works of Shakespeare, Shaw, Wordsworth, Shelley, Keats, Joyce, Hemingway, Gorki, Chekhov, Tolstoy, Ibsen, Zola, Maugham, Gogol, T S Eliot, Russell, etc., are disappearing from the bookstores. Similarly, the works of such [Urdu] literary masters as Ghalib, Hali, Iqbal, Azad, Jauhar, Sharar, Shibli, Sir Sayed, Hafiz, Ehsan, Danesh and Jigar and books by Urdu novelists are being swept into a corner, and in their place one sees everywhere colored exhibitions of naked figures. One cannot believe even for a moment that one is in a Pakistani bookstore.

In big cities such as Karachi, Hyderabad, Lahore, Pindi and Islamabad one sees the same state of affairs in all the bookstores, whether large or small, in the "civil area" or the supermarkets. One realizes that various little-known agencies and writers outside the country are actively creating this "literature." The names of these writers are well known to the young, and a quick enquiry reveals that the most famous figure among this mafia was Harold Robinson [sic], a Jew, who has been engaged for a long time in the lowest form of creative effort and has been making fun of Christianity, Islam and other religions in sexual terms and against a sexual background and tearing them to pieces. This man's books are banned by law in many countries, including India; but Harold and many others like him are openly prospering in this sacred soil and are busily poisoning the minds of our new generation.

This, then, is the situation in bookstores and their influence in colleges, hostels and homes. Video tapes have turned every home into a movie house and banished any modesty or secrecy that might have existed. The films that are watched by all members of the household are mostly Indian, prepared specially for export to the Islamic countries of the Middle East. These are action films full of crime and sex, vulgar dances and scenes aimed at the Islamic world, including Pakistan, and in particular at the Gulf States and coastal cities. These films are not censored and censorship is not considered necessary. On the other side, blue films prepared under a regular plan by Jewish agencies are being poured into the Gulf States and Islamic countries, including Pakistan. Greed motivates the sale of these films in large quantities in stores. Those Pakistanis also who work in the Middle East and Western countries unknowingly open the doors to the flood of such films. They visit Pakistan loaded with these articles and smuggle them through the customs by bribing the inspectors. A brief survey revealed that in Islamabad alone, 8 to 10 shops keep 3,000 to 4,000 Indian films and Western blue films in circulation. In addition, cassettes filled with all kinds of poison are flooding the market; and this same poison is peddled in Urdu and in pictures under cover of used books in small kiosks and 8-anna libraries patronized by the middle and lower classes. The enemy has penetrated deep into our defenses but our front is quiet. Voices are occasionally raised here and there; one hears of a few police raids and then all is quiet again. So far, no sirens warning of danger have been sounded on a national level by any organized movement nor are there any signs that such sirens will be sounded. We have no power to do anything about the Islamic countries of the Middle East, but we can plan to save our own house by crushing this cultural invasion.

It is the duty of the government to pass effective ordinances decreeing severe punishment for such activities so as to put a stop to them. Educated persons should gather detailed information about the writers and agencies responsible for the poisonous literature sold in stores and shops and submit their findings to the government so that it may impose legal restriction on the import of this kind of literature. The entry of video tapes should be baned and raids organized to confiscate films in circulation. A cell of honest officials should be formed in the customs to search for these articles as they do for narcotics and to seize and burn them. The members of union councils and the advisory council should be given special powers to purge their areas of such depots of filth. In short, it is necessary to launch an organized and determined campaign similiar to those aimed at eradicating malaria and smallpox in order to save the new generation from feeding on this poison.

In addition to such an emergency campaign, the government should, without delay, entrust the task of special investigation to the secret service and ask them to find out who the individuals and agencies were, both domestic and foreign, who opened the door to the entry of this material after the 1971 national tragedy and what hidden forces were behind them. In addition to purging the filth, it is necessary to uncover its sources, since they are at the root of this disease.

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BRIEFS

AL-ZULFIQAR RECONCILIATION EFFORTS FAIL--Peshawar, 6 Jun (JASARAT Correspondent)--It has been learned that the founder of the terrorist organization Al-Zulfiqar, Murtaza Bhutto, was unable to achieve reconciliation between the two warring groups of Al-Zulfiqar and has left Kabul to go back to Libya. He was in Kabul for the purpose of this reconciliation. It may be recalled that last month there was an armed clash between the two groups controlled by Suhail Sethi and Salamullah Tipu. In this clash one person belonging to Sind Province was killed and three persons were seriously injured. After the incident Tipu was placed under arrest and he is still under detention by authorities in Kabul. Suhail Sethi on the other hand, left Kabul after the clash, went to India and later arrived in Libya. The reason for the clash, is said to be complaints by Salamullah Tipu that from the time Suhail Sethi had taken over as incharge of Al-Zulfiqar in Kabul, he had not been providing adequate funds needed for expenses and was using the money instead to entertain his close friends. [Text] [Karachi JASARAT in Urdu 7 Jun 83 p 1]

COMPLAINT REGARDING REFUGEE AID--Karachi, 7 Jun (Commerce Reporter)--The local director for Afghan refugees has sent a telegram to the chairman of Karachi Port Trust in which he has said that the Port levies steep storage charges on aid goods sent for refugees and also insists on receiving payment before the goods are released. The director for refugees has charged that this policy of KPT amounts to blunting the efforts of the government of Pakistan and the aid givers to help the refugees. These measures hamper the aid efforts and also create a bad impression for Pakistan in the eyes of international aid giving agencies. The directorate of refugees, it was claimed, has no funds to utilize as payment for storage charges and demurrage, nor do the aid-giving agencies provide any special funds for that purpose. [Excerpts] [Karachi JASARAT in Urdu 8 Jun 83 pp 1, 8]

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