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31 January 1985

NEAR EAST/SOUTH ASIA REPORT

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REGIONAL AFFAIRS

TUNISIAN-LIBYAN RELATIONS EXAMINED

London AL-DUSTUR in Arabic No 352, 10 Dec 84 pp 14-15

[Article by al-Salami al-Hasani; Paris, date not specified]

[Text] After the Tunisian parliament approved the draft bill to amend the date of withdrawal of Tunisian citizenship to just one month, all observers and diplomatic circles focused on the purpose of the decision, that is, to strip citizenship from Mohamed Masmoudi, former minister of foreign affairs before he became Libya's permanent representative at the United Nations.

Tunisian sources say in Masmoudi's appointment to this post not a means of saving him from unemployment but an action aimed at the Tunisian government. In itself the action appears to represent the drop that makes the cup of relations between the two countries overflow because these days there are numerous indications of increased tension between Tunis and Tripoli and they are mixed with rumors that have turned the Tunisian capital into a fertile field for it. Thus, Libya's relations with its neighbor Tunisia are once again threatened, despite attempts at normalizing them.

As for the Libyans, the leaders have not abandoned their goal of drawing Tunisians into someform of union. The previous efforts, including the attempted Djerba agreement that Mohamed Masmoudi arranged and the Qafsa operation, failed. It recently became clear to the Libyan authorities, within the general Libyan foreign policy revisionist movement, that the "Tunisian question" cannot be dealt with by the familiar methods or by force. Rather, a long-term plan must be prepared. The fact is such a political plan was prepared after lengthy meetings of the evaluation committee of which 'Abd al-'Ati al-Ubaydi was appointed chairman. This plan essentially states that because of its political, cultural, and economic position Tunisia cannot be dealt with by violence and by sending in armed bands because it would clearly increase the power of the existing regime more than it would achieve quick objectives. Moreover, those responsible for carrying out such operations are clearly unable, from the political and practical standpoints, to do so. Likewise, one of the results of the open-door democracy in Tunisia is that all or at least most of the Tunisian opposition groups have entered the country and begun activities within their capabilities. Consequently, it is no longer possible for the Libyan authorities

to establish relations with the Tunisian opposition groups unless these relations are open and public or respect some of the legal principles that the Tunisian opposition is eager to respect. The Libyan authorities have no other alternative but to manage the Tunisian situation through some powerless individuals now living in Libya. In view of this situation, the evaluation committee headed by 'Abd al-'Ati al-'Ubaydi decided that the way to deal with Tunisia is by patient action through the establishment of various relations both with the Tunisian government - to reassure it that the relations between the two countries are as desired - and with the opposition party.

This being the case, activity is being directed to create a special political grouping loyal to Libya. The creation of such a grouping was begun more than 2 years ago by the lawyer Bechir Essid. But his unknown political past and the Tunisian political situation have turned this grouping into a mere phantom that the people glimpse only rarely through press statements. The purpose behind all this is to achieve the same goals that Libya has striven to achieve in past years by other means using new methods that do not disturb the Tunisian government. Against this background came the appointment of Mohamed Masmoudi as general representative of the Libyan Jamahiriya in the United Nations.

As for the Tunisians, the government looks upon relations with Libya as based on joint agreements and mutual respect for the internal affairs of each. The Mzali government made efforts in this direction, but the many meetings between the two sides have produced no results so far because the Tunisian propose economic projects while the Libyans have in mind the cultural situation without going into anything specific and tangible. At the same time the Libyan authorities try to keep in touch with Tunisian opposition parties, but they were disappointed a year ago when they invited the Tunisian dissident movements to Tripoli and were surprised to learn that these movements had joined with the ruling Dustur party on certain policy issues. They began to move toward a strengthening of the Bechir Essid grouping which al-Qadhafi met with when he visited Tunis several times after that. However, the Tunisian government began to sense from certain indications that the Libyan authorities have no real intention of establishing genuine cooperation between the two countries. Among these indications are Libyan-Moroccan unity, Libya's stand on Algeria and on the PLO now staying in Tunisia, and finally the new step taken by Libya in appointing Masmoudi as its public representative at the United Nations.

It does not appear that the Tunisian government's response will be limited solely to stripping Masmoudi of his citizenship after warning him of that as called for by the law. Informed sources in Tunis have reported that the government is now moving to authorize the formation of a new political party called the Arab National Grouping to fill the vacuum that Libya could exploit from the absence of the legal existence of the national Arab movement. This new grouping will be led by the poet Meidani ben Saleh who got in touch with Bechir Essid to ask him to join the new grouping, but Essid refused on the grounds that he would ultimately find himself in a broad movement

wherein he would become unknown and, consequently, lose Libyan support. The same sources say that the Mzali government determined that the Arab national movement must be represented in Tunisia in order to block any new attempts at exploiting the open-door democracy for other purposes. The new grouping will include elements from the Ba'th party and others espousing the Nasiri ideology. The formation of this Arab grouping will soon be announced. It will also be allowed to publish its own newspaper.

Despite these precautionary measures taken by the Tunisian government, relations with Tripoli are still the main source of its anxiety and of gossip in political circles in Tunis. This is in anticipation of the next Libyan step.

If the stories circulating in Tunisian circles are true, this step will be the expulsion of Tunisians working in Libya, as always happens when relations between Tunis and Tripoli reach a high degree of tension. It does not appear that the Libyan authorities will replace the expelled Tunisians with Moroccan workers to implement the unity agreement with Rabat. Rather, it will do so with Asians because they do not stir things up or make any demands, occupational or legal.

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MITTERRAND VISIT TO SYRIA RECOGNIZES AL-ASAD ROLE

Beirut AN-NAHAR ARAB REPORT & MEMO in English No 30, 26 Nov 84 p 3

[Article by Randa Takieddine]

[Text]

President François Mitterrand's visit to Damascus, which began over the weekend, confirms the official French realisation that no solution can be found to the problems of the Middle East without the active support of Syria. Relations with President Hafez al-Assad have been very strained since Mr Mitterrand's election to the presidency in 1981. There have been no official Syrian visits to Paris during the Mitterrand presidency; indeed, the last official visitor was the then foreign minister, Abdel-Halim Khaddam, who went to the French capital in 1980.

The most auspicious Syrian visitor for some years has been Rifaat al-Assad, who was recently confirmed as vice-president for internal security, who has been exiled in Switzerland and the French town of St Nom la Breteche for some months. A source close to Vice-President Assad recently told this newsletter that he was expected to return to Damascus in time for Mr Mitterrand's visit. However, Mr Assad may not deign to go back until the decree appointing him responsible for internal security has been amended: the first one was understood to be "unsatisfactory".

Many French officials have pointed accusing fingers at Damascus, holding the Assad regime responsible for the assassination of the French ambassador Louis Delamare in Beirut in September 1981, and for the blast that killed 72 French paratroopers of the Multi-National Force just over two years ago.

Despite these outrages, Paris-Damascus links have been maintained throughout the Mitterrand presidency. Claude Cheysson, the external relations minister, visited Damascus in February 1983, July 1983 and July 1984.

Commenting on this first meeting between the two heads of state, Jack Huntziger, the Socialist Party's official responsible for foreign relations, said: "We realise that Syrian policy in the Middle East has

been quite tough, but we also think that no solution in the region can be found without Syrian approval."

However, the French opposition press has implicitly criticised the Mitterrand government for its tardiness in recognising Middle Eastern realities, saying: "The French socialist government needed the assassination of a French ambassador and the killing of French soldiers by Syria to realise that Syria has a role in the Middle East." However, this same opposition, under the then presidency of Giscard d'Estaing, received the Syrian president in Paris in June 1976.

Particular controversy has surrounded Syria's opposition to the inclusion in the French presidential party of Jacques Attali, one of Mr Mitterrand's most important advisers and strongly pro-Israel. French officials have discreetly let it be known that the "Attali problem" has been "solved". In fact, Mr Attali has been dropped from the party.

However, Mr Cheysson and Jack Lang, the minister for cultural affairs, — two of the most influential members of the government — are included.

While President Mitterrand's essential purpose is to discuss the three most pressing political issues in the region — Lebanon, the Gulf war and Palestine and the West Bank — economic and cultural relations will also be looked at. After Iran (which provides mainly oil) and West Germany, France is Syria's largest supplier of goods and services, totalling in 1983 about FFr1.55bn — about 7.6 per cent of the market. The principal exports included a third of all French food sales abroad — sugar, cereals, butter and milk — steel, electrical machinery, cars, pharmaceuticals and domestic appliances. French imports from Syria in 1983 totalled FFr1.4bn, mainly oil products (783,000 tonnes) and cotton (7,200 tonnes). After achieving a surplus on the balance of trade in 1983 of about FFr148mn, the first six months of 1984 fell into a deficit of FFr351mn, officials said. In 1982, the French deficit was FFr224mn and in 1981, FFr346mn.

Mr Lang's inclusion is clear evidence of France's continuing commitment to maintaining French, which is taught in 60 per cent of Syria's junior and secondary schools, as an important second language in the region and French influence in secondary and higher education. France also maintains the Institut Français d'Etudes Arabes in Damascus for research into Islamic culture, and there are important French archaeological digs in Syria.

Looking more to the future, France is helping to set up a Syrian School of Engineering — the Institut Supérieur de Sciences Appliquées et de Technologie — in the style of the French Grandes Ecoles. France is financing part of the construction and the staff and advising on curriculum.

REGIONAL AFFAIRS

ARAB REPORT SHOWS ARAB LEAGUE STATES' DEPENDENCE ON FOOD IMPORTS

London AL-MUSTAQBAL in Arabic No 398, 6 Oct 84 pp 56, 57

[Article: The Joint Economic Report: The Arabs are Vulnerable in Regard to Food; Wheat and Meat are the Chief Items Imported by the Arabs and the Annual Per Capita Cost for the Arabs was some \$115 as against \$68 for Europeans"]

[Text] The sole topic of discussion in Arab economic circles is the serious degree to which Arab security in foodstuffs is vulnerable and the fact that these foodstuffs drain off some \$35 billion a year that the Arabs pay for their food. Talk about the lost Arab foodstuffs security has penetrated to international circles. The most recent annual report of the International Bank [IBRD] contains a clear indication that the Arab states as a group suffer from an alarming deficit in foodstuffs production. In any case it is a large deficit resulting from a rise in standards of living because of oil and its profits and remittances. It is due also to a population explosion whereby the annual population "increase" is reaching 2.7 percent.

The IBRD naturally is issuing a warning regarding this situation and is calling for the exploitation of every inch of land to increase agricultural and live-stock production. But are the Arabs unable to attain security in foodstuffs?

From a theoretical standpoint they can achieve security in foodstuffs if the Arab states are considered as a single entity pursuing a single foodstuffs policy. But disunion, frontiers, and independence of policy do not permit the Arabs to attain self-sufficiency.

Here is some light on Arab agricultural potentials contained in the 1984 combined Arab economic report prepared by the secretariat general of the Arab League, the Arab Monetary Fund, the Arab Economic and Social Development Fund, and the Arab Oil-Exporting Countries Organization:

The report says:

The crop area in the Arab homeland in 1982 was some 35.7 million hectares while the area under irrigation was about 10 million hectares. This area represents some 4.2 percent of the worlds total of irrigated land and 17.4 percent of all agricultural land in the Arab countries. From 1976 to 1982 the Arab countries achieved a 9-percent increase in the area of irrigated land, while the world

growth level was about 14 percent. The greatest percentage of irrigated land is confined to four countries: Egypt (2.9 million hectares), the Sudan (1.9 million hectares), Iraq (1.8 million hectares), and Syria (0.6 million hectares). These countries therefore possess some 72 percent of all the irrigated land in the Arab homeland.

Grazing land comes to about a million hectares, or about 10 percent of the world area of grazing land and 23 percent of the land area of the Arab homeland. Most of the grazing land lies in desert or semi-desert regions that are characterized by extreme dryness and little rainfall, which does not exceed 10 inches per year. The business of grazing livestock in the Arab countries is conducted along traditional Bedouin lines. The number of livestock in the Arab homeland has reached about 37.6 million head and it represents 3 percent of the total world livestock count. The Sudan occupies first place (19.3 million head), followed by Somalia (4 million head), Egypt (2.3 million head), and Algeria (1.4 million head).

Persons working in the agricultural sector numbered about 24 million in 1983. This represents 53 percent of the Arab work-force, compared with the world average of 44 percent for the same year. This figure had been about 60 percent at the beginning of the decade of the 1970's. Most of the agricultural population is concentrated in five countries: Egypt (24.7 percent), the Sudan (16.6 percent), Morocco (12.2 percent), Algeria (10.9 percent) and Saudi (6.4 percent). The percentage of those working in the agricultural sector differs from one country to another. The highest percentage is found in the less-developed Arab countries, such as Mauritania (82 percent), Somalia (79 percent), and the Sudan (76 percent). This percentage is very small in the Arab oil countries, reaching 1.7 percent in Kuwait.

Agricultural Production

The annual growth rate of agricultural production in the Arab homeland in the period 1977-1982 was about 2.4 percent. It is noted that the agricultural production of all cereals fell from 24.4 million tons in 1981 to 23.9 million tons in 1982, which is equivalent to a decrease of 2.1 percent. Wheat occupied first place among the cereal crops in the 1982 production, and the crop area devoted to it increased from 8.3 to 8.5 million hectares.

The crops of the other principal cereals differed in their amount of growth. The production of rice fell by 6 percent (from 2.8 to 2.6 million tons). Barley had no growth worth mentioning; its production remained at around 4.3 million tons while the crop area fell from 6 to 5.8 million hectares. The production of maize achieved an annual growth of 7.4 percent and its crop area an increase of 3.3 percent, as against a 19-percent average decline in the production of millet.

The production of sugar crops scored a gain of 11.9 percent and their crop area a gain of 13.5 percent (from 1.3 to 1.5 million hectares). The legume group showed a 3.2 percent increase in production. In addition oil crops, which occupy second place after cereals in crop area (5.8 million hectares), achieved a 2.3-percent growth in production. Cotton remained at the same level,

registering a slight growth of 1 percent, while its crop area declined by 1.3 percent. Egypt's, Syria's and the Sudan's production of this crop represents about 86 percent of the Arab production.

Other crops, such as fruits and vegetables, gained about 2.9 percent. Livestock achieved a satisfying increase of 7.6 percent. Growth rates varied from 0.7 percent for red meats to 3 percent for eggs, 7.6 percent for milk, and 23 percent for poultry production.

The Agricultural Balance

Expenditure for imports of agricultural commodities decreased in 1982 as compared with 1981 from about \$25.3 billion to \$24 billion. This outlay represented about 7 times the receipts from Arab exports during the same period, which came to \$3.8 billion. At the same time the annual growth of these exports decreased by 5.1 percent in contrast to the average annual growth of 21.9 percent that they achieved between 1976 and 1981. From this it is evident that the cost of imports is triple that of 1976. As a result the gap between the cost of imports and income from exports widened from \$4.7 billion in 1976 to \$21.5 billion in 1981, after which it fell to \$20.6 billion in 1982.

It should be pointed out that these sums do not include production components such as chemical fertilizers, machinery, agricultural equipment, and pesticides used to combat plant diseases; these items constitute 9.4 percent of the imports of agricultural products. If these items are included the total 1982 expenditure for agricultural imports becomes nearly \$25.3 billion. The greater part of the agricultural imports is composed of important staple foodstuffs, which represent about 60 percent of the total expenditure for agricultural imports. Cereal commodities occupy first place on the list of imports, accounting for 27 percent of their total cost and 47 percent of the outlay for 1982 imports of staple foodstuffs. The quantities of cereals imported increased by about 6 percent in comparison with 1981 and the cost decreased by 2 percent. Wheat constitutes the principal cereal commodity; imports of it came to 16.9 percent [as published] million tons at a cost of \$4.6 billion. These imports represent a decrease of 1 percent in volume and 3 percent in cost. Egypt, Algeria, Iraq, and Morocco are considered to be the Arab countries that are the biggest importers of this commodity, for their total 1982 imports were about 72 percent of the total Arab-world imports.

Red meats occupied second place among imports of agricultural products from the standpoint of value. They represented 13.4 percent of the total value of agricultural imports in 1982, while they had been in third place in 1981. These imports represent a slight 0.5-percent increase in volume and a 5-percent decrease in cost.

Imports of sugar dropped from 2.4 percent [as published] billion dollars in 1981 to \$1.7 billion in 1982, while their volume fell by 3 percent and their cost by 27 percent.

Arab-homeland imports of animal products (such as sheep and goats, poultry, and milk) registered a decline both in volume and in cost. The decline in cost

ranged from 5 percent to 17 percent compared with 1981. The cost of imports of staple foodstuffs registered large increases of 213 percent compared with 1976 and fell by 8 percent in 1982 compared with the previous year. The situation was similar with regard to agricultural imports, which registered a gain of 229 percent and a decrease of 5 percent during the aforementioned period.

On the country level, the balance of trade for staple agricultural commodities remained negative in all the Arab countries except the Sudan. Its income from agricultural exports exceeded its expenditure on imports by only a slight 7 percent, whereas its income in 1976 had been more than three times its expenditure for such imports. It is worth pointing out that in 1982 the Arab world imported quantities of staple foodstuffs that equalled 52 percent of its cereal production, 45 percent of its vegetable production, 23 percent of its production of fruit, and 9 percent of its production of oil crops.

In contrast, agricultural exports registered modest growth rates not exceeding 2 percent per annum. They increased from \$3 billion in 1976 to \$3.4 billion in 1982. As a result of this disparity between the growth of exports and that of imports, the ratio number of exports to imports fell from 40 percent to 14 percent during the period in question. The principal sources of Arab agricultural exports are Egypt, Morocco, Syria, Somalia, Tunisia, and Lebanon, the exports of which make up some 76 percent of the Arab world's total exports of these commodities and 42 percent of the total export income of these countries. It is noteworthy that the commodity composition as between agricultural exports and imports differs radically. Plant fibers, fruits, vegetables, and oil crops being the most important Arab agricultural exports.

On the international level the percentage cost of Arab imports of foodstuffs relative to total world imports of foodstuffs increased from 7.3 percent in 1976 to 14.6 percent in 1981 and 15 percent in 1982. The Arab countries imported a high percentage of the volume of world imports of some of these commodities: 77 percent with regard to sheep and goats, 33.6 percent with regard to poultry, and 27.1 percent with regard to eggs.

To show the relative burden borne by the economies of the Arab countries one can use the per-capita cost of agricultural imports as an indicator. It then appears that in the Arab homeland this cost was \$53 per capita in 1973, rose to \$115 in 1982, and reached its highest level -- \$558 -- in the oil countries. In 1976 the cost of these imports did not exceed \$35 in the Arab countries possessing agricultural capabilities and such lesser-developed ones as the Sudan, Somalia, Morocco, North Yemen, and Egypt [as published]. However, the cost rose, the average in these countries reaching about \$40 compared to \$68 in continental Europe, \$16 in Asia, and \$10 in the continent of Africa.

Self-Sufficiency

The degree of self-sufficiency for the majority of agricultural products decreased. The level of self-sufficiency in cereals compared with the levels of the periods 1977-1979 and 1980-1982 fell from 57 percent to 51 percent. In wheat, which constitutes 37 percent of cereal production, the level of self-sufficiency dropped from 38 percent to 36 percent. The 1982 production of wheat represented

56 percent of wheat imports, whereas in 1977 it had represented 91 percent of such imports.

The level of self-sufficiency in groups of other commodities fell during the same period, during which the percentages varied from 4 to 10 percent (except for tobacco and tea, 11 percent and fruits, 1 percent) The lowest level of self-sufficiency was recorded for sugar, 27 percent and oil crops, 38 percent, followed by animal products, 82 percent. The sole group that remained with a net surplus was that comprising the cotton and plant-fiber crops, the production of which continued to exceed domestic demand by 270 percent.

It is clear that the production of cereals did not attain any growth worth mentioning, since its annual average was 0.7 percent compared to the annual growth average of demand, which reached 3.7 percent. The great gap between the two is clear. The production of oil crops fell off at the rate of 1.6 percent per year, while the growth of the demand for them was nearly seven times the growth of production [as published]. There was a decline of 11.5 percent in the cotton and plant-fiber crops, while the growth of the demand for them dropped by 10.1 percent. Other crops achieved a better relationship between production growth and demand. The production of them attained rates exceeding 3 percent per annum except for sugar, 1.8 percent; and tobacco, tea, and coffee, 1.9 percent. It is worth noting that the growth of demand for certain agricultural commodities exceeded the production growth by percentages ranging from 63 (animal products) to 85 (potatoes).

In summary, the production of the principal agricultural commodities in the period 1977-1982 achieved an average annual growth of 2.4 percent, while during the same period the demand for these commodities grew by 3.6 percent annually.

12541
CSO: 4504/100

REGIONAL AFFAIRS

IRAQ SIGNS TRADE AGREEMENT WITH UK

Beirut AN-NAHAR ARAB REPORT & MEMO in English No 29, 19 Nov 84 p 8

[Text]

A \$380mn trade credit deal between Iraq and the UK began the British trade minister, Paul Channon's, three Opec nation mission on a good note. The agreement, signed in Baghdad by the Iraqi trade minister, Hasan Ali, requires Iraq to place contracts with British firms by the end of 1985 in exchange for \$316mn medium-term credit for capital goods and \$64mn extended credit for pharmaceuticals.

The agreement, backed by Britain's Export Credit Guarantees Department (ECGD), reflects the importance of Iraq as a trading partner. Iraq has made it clear that those countries that support it during its war with Iran will receive preferential treatment after the war when Iraq increases development spending. Mr Channon said that the credit would help generate more than \$830mn worth of business for British companies.

According to ECGD figures, Iraq has used up nearly all of the \$346mn credit granted her in a similar agreement last year. British exports to Iraq dropped to \$480mn in 1983 after a peak of nearly double that.

After a four-day stay in Iraq and a visit to the international fair in Baghdad to support British exhibitors, the trade minister left for talks with Britain's largest trading partner in the area, Saudi Arabia. There, Mr Channon headed a mission of 15 British businessmen studying joint ventures in the Kingdom. During the five-day visit, talks were held with the foreign minister, Prince Saud al-Faisal, the finance minister, Mohammed Ali Abal-Khail, and planning minister Hisham Nazer.

Mr Nazer was later quoted by the official Saudi media as saying: "Successful trade relations between the two countries depend on a favourable response from the European Common Market towards Saudi petrochemical products. Any obstacles placed by those countries to the Saudi products will have an adverse effect on these relations." Mr Nazer said that he also discussed the potentials of the Jubail and

Yanbu industrial complexes with Mr Channon.

The EEC has imposed a 13.5 per cent duty on imports of Saudi methanol above a quota which Saudi Arabia argues is too small.

Last year, Britain's exports to Saudi Arabia totalled \$1.78bn, up by over \$150mn from 1982. Britain imported goods worth more than one billion dollars from the Kingdom, mainly oil.

Britain's second-largest trade partner in the area and Mr Channon's last stop, the UAE, imported \$681mn worth of goods from the UK last year and \$390mn in the first eight months of this year. UAE's mostly gas and oil exports to Britain totalled only \$339.1mn in 1982, while exports during the first half of last year were up slightly to \$209.16mn. Mr Channon said that the UAE offered considerable trade opportunities in power generation, water and sewage equipment and building materials.

CSO: 4400/59

REGIONAL AFFAIRS

BRIEFS

SYRIA TO BUY NUCLEAR PLANT--Syria has confirmed that it is to buy a nuclear reactor from the Soviet Union. Making the announcement in Damascus after returning from talks in Moscow, Mr Kamel al-Baba, the minister for electrical power, said the plant would be used for electricity generation. He said three possible locations had been chosen and geological and geophysical surveys would be made to choose the final location. The power station will be of 440-megawatt capacity, which is expected to be operational in 1991. Syria is reported to have negotiated with a number of Western countries before turning to the Soviet Union. The purchase terms have not been made public. Although the spectre of an Israeli attack has not yet surfaced publicly, Syria will be mindful of the Israeli destruction of the Osiris nuclear plant near Baghdad in 1981 and the recent suspension of the Iraq-Aqaba oil pipeline because Israeli security guarantees were not forthcoming from the financial backers. [Text] [Beirut AN-NAHAR ARAB REPORT & MEMO in English No 32, 17 Dec 84 p 12]

IRAQI WATER ORDER--Iraq has awarded a \$32mn contract for the supply of water to the country's railways stations to the National Buildings Construction Corporation of India. The project will involve building underground reservoirs at railway stations and in other public utilities, according to reports from New Delhi. Long-term credit facilities for the scheme are currently being discussed between NBCC and the Export-Import Bank of India, according to the corporation's chairman, S.C. Kapoor. Mr Kapoor said that the corporation was still owed \$32mn for earlier work in Iraq, as well as \$52mn from Libya. The NBCC's turnover this year is expected to be some \$120mn, with more than half of it coming from overseas contracts. [Text] [Beirut AN-NAHAR ARAB REPORT & MEMO in English No 32, 17 Dec 84 p 12]

CSO: 4400/59

ARMENIAN AFFAIRS

TURKISH PAPER LAUNCHES CAMPAIGN AGAINST 'APRIL 24'

Readers Urged to Send 'Letters of Protest' to U.S. Congressmen

Istanbul MARMARA in Armenian 17 Dec 84 p 1

[Text] Foreign Minister Vahit Halefoglou's warning in the National Assembly to the effect that the Armenians can once again try to put April 24 on the political agenda was widely reported in the press, particularly in today's edition of GUNES. GUNES reports it as the leading news item and invites its readers to write spontaneous letters of protest to members of the U.S. Congress.

The paper says that the Armenian and the Greek lobbies will try everything to revive the April 24 resolution on the agenda of the Congress. If they succeed this time to put the resolution to a vote and win the endorsement of the majority, they will not only have won a moral victory, but they will use it for political purposes; they will have turned their cause into a "legitimate" one, and they will even be able to ask for economic assistance from the United States.

The paper adds that American politicians know about Turkey only what the Armenian and Greek lobbies tell them. If Turkey and Turkish-Americans can exert adequate pressure on congressmen, they will make every effort to learn the truth. But for each person who writes a letter from Turkey, a dozen Armenians and Greeks write from elsewhere. In the United States, politicians are far more concerned about the feedback they receive from the people than the reaction of the opposition party.

The paper suggests that the Turkish people must initiate a flood of protest letters. The letters can be written in plain or even imperfect English to indicate that they were written without anyone's help.

GUNES adds that this country's problems will be largely resolved if every Turk assumes personal responsibility as the Greeks and the Armenians do.

The paper also outlines the principal issues which can be addressed by citizens who intend to write letters of protest. Also published are the names and addresses of congressmen.

Armenian Editor Asked to Comment on Campaign

Istanbul MARMARA in Armenian 18 Dec 84 pp 1,4

[Text] The campaign calling for letters of protest to U.S. congressmen which was launched by GUNES yesterday has continued today. Levend Celik, a GUNES editor, writes today that since the start of the campaign every literate person in Turkey has begun writing a letter to members of Congress. Celik says that some people have made copies of their letters and have distributed them among their friends to make it easier for them to write. University students have also responded favorably to the campaign. Celik adds that our paper has also written about GUNES' campaign.

Celik had asked our editor-in-chief yesterday to issue a statement in connection with the campaign. In its today's edition, GUNES carries a photograph of the left column on the front page of MARMARA's yesterday's edition and an excerpt from our editor's statement (our readers can find the full text of the statement in a separate section).

GUNES says:

"From the early hours of the morning, many of our readers picked up their pens and notepads after reading about GUNES' campaign. Some citizens immediately asked for help from friends with a knowledge of English. Some took part in the campaign by telegrams and telephone calls. Spokesmen for the U.S. consulate in Istanbul also stated that they are pleased with the campaign and that 'they could not think of a better method.'

"Several Assembly deputies and diplomats also expressed their views on GUNES' campaign. Cengiz Tuncer, a member of the EEC Joint Commission, said that the campaign to be waged against the Armenian allegations is a national issue and that Congress will certainly take the Turkish reaction into account. He said: 'If necessary, I will also join in this campaign and send a letter to the House of Representatives.'

"Deputy Foreign Minister Timur Cinar noted that American diplomats who visited Turkey recently admitted that it was a mistake to bring the Armenian allegations before Congress. Cinar said: 'They thought such a move would be natural, because such events are frequently commemorated in the United States. But now that Turkey's reaction has become known the mistake will probably be rectified.'

"Nationalist Democracy Party deputy Kamran Inan, who is also a member of the Assembly Foreign Relations Committee, said that such issues require public opinion campaigns. He said: 'For example, the Greek lobby sends hundreds of letters to congressmen, but only a few letters go from Turkey. All citizens must take part in such campaigns and not just a few organizations.'"

GUNES also carries a statement by Mr Dikran Kevorkian, a member of the Armenian Patriarchal Advisory Council and the chairman of the parish council of the Kandilli Church. Mr Kevorkian said in his statement that a happy world can only be created by strengthening bonds of compassion among people. Addressing

U.S. congressmen, Mr Kevorkian said: "While working to make the people happier try to prevent wrong assessments that may alienate various communities from each other."

GUNES adds that Turkish Cypriots are also contributing to this campaign. The Turkish Cypriot press has reproduced GUNES' articles identically.

MARMARA Editor's Statement to GUNES' Editor

Yesterday, we reported extensively about the campaign launched by GUNES against the possibility that Armenian allegations can be revived in the U.S. Congress. Levend Celik, an editor in GUNES, called our editor-in-chief yesterday noon and asked him about his impressions on the campaign. Our editor-in-chief replied that he had read GUNES early in the morning and that he had already reported it prominently considering it an appropriate undertaking.

Our editor-in-chief made the following statement on the telephone, part of which was published in today's edition of GUNES: [text appears in Turkish]

I believe that the campaign entitled "We Must Stop Armenian Power" and launched today by GUNES is a positive step. Your paper has invited the Turkish public and all our citizens to perform a task that everyone will willingly do. Your warnings are justified and appropriate. Every Turkish citizen must individually assume responsibility. We, the Turkish-Armenians, are aware of this responsibility.

Our paper, MARMARA, which is published for Armenians in Turkey and all corners of the world, is reproducing GUNES' article on the issue identically and is endorsing it by making it the lead story. We will write about this issue in our tomorrow's edition as well and we will remind our readers to support your paper. We, the Turkish-Armenians, are deeply concerned about the revival of issues and events that have become part of history and their exploitation by foreigners. Those who do not realize that Turks and Armenians understand each other very well and live on brotherly terms with each other in our country as well as in many other countries will be very surprised when they come to Turkey. We must counteract those who are plotting conspiracies against Turkey and we must show the truth to the world public. If we can do that, then we will have proven that all interventions from abroad will end in disappointment and that the best dialog between Turks and Armenians can be established on the basis of feelings of brotherhood and friendship.

9588
CSO: 4605/52

ARMENIAN AFFAIRS

BRIEF

'ARMENIAN TERRORISM' TO BE DISCUSSED--Ankara--Nikolay Tikhonov, chairman of the USSR Council of Ministers, will be arriving in Ankara on Monday with a 90-person delegation. It has been learned that Tikhonov, in addition to other matters, will be given explanations concerning Armenian terrorism. Tikhonov, who will also be accompanied by four [female] ministers, will be entertained at the Glass Palace. There is a persistent report circulating within the Foreign Ministry that in addition to various questions of mutual and international concern, a properly-worded request not to support Armenian terrorism will be presented to Tikhonov. [Text] [Istanbul JAMANAK in Armenian 19 Dec 84 p 1] 8817

CSO: 4605/56

MOROCCO

IMPACT OF WITHDRAWAL FROM OAU ASSESSED

London AL-MAJALLAH in Arabic No 250, 24-30 Nov 84 p 14

/Text/ On 2 March 1976, a few days after a resolution by the Polisario front announcing establishment of the Saharan Democratic Arab Republic in exile, Jean Bemananjara, foreign minister of Madagascar, responded by submitting to the ministerial meeting of the Organization of African Unity /OAU/ which was being held in the Ethiopian capital Addis Ababa a resolution of recognition for this republic. Before long, a correspondent received a news report to send out immediately by wire, saying: "Madagascar has recognized the Saharan Republic." This recognition surprised many people, including the president of Madagascar, who dismissed his foreign minister, charging him with exceeding his authority. But the effect was that the "Saharan Republic" had been granted its first recognition by an African nation, and before long the affair snowballed, and at each conference the number of nations recognizing the "Saharan Republic" increased, until it numbered 30 nations.

Again, it was a surprise when, in Addis Ababa this 12 November Ibrahim Hakin Ould Darwich, foreign minister of the Saharan Arab Republic, was seated inside the "Africa Hall," and Ahmed Reda Guedira, counselor to the Moroccan monarch, was outside the hall. Morocco consequently withdrew from, and the Polisario became a member of, the OAU.

Expectations had been pointing toward convening a "summit conference of twenty" without the customary preparatory meeting of foreign ministers, so a debate was certain at the summit level before a final decision would be made to admit the Polisario into membership in the organization. However, the Moroccan delegation observed that the Polisario delegation, which arrived in Addis Ababa after a short time in the Nigerian capital of Lagos, was given an official reception at the Addis Ababa airport, meaning that Ethiopian president Mengistu Maryam had invited the Polisario to take its seat as a member of the OAU. Guedira hastily requested authority to present to the African summit meeting a short address in the name of the Moroccan monarch. As expected, he began, "The hour of separation has arrived." Morocco decided to withdraw from the OAU, as the Moroccan monarch had indicated before the African summit conference was held. He wished the Africans good luck with their new ally.

The events of that day in Addis Ababa formed one episode in the long narrative of the life of the OAU in the conflict of the Western Sahara since the 1960's, which has taken on a special character since 1976, when the United Nations turned the problem over to the Africans to handle.

Since the announcement founding the "Saharan Arab Republic" on 27 February 1976, a fierce struggle has raged between Moroccan and Algerian diplomacy on the African continent. The dossier on the problem increased in complexity with each meeting or African summit. During this period, Algerian diplomacy sought to throw out slogans to excite the feelings of Africans, such as the slogan "the principle of self-determination," since the problem of the Sahara, from the Algerian point of view, is basically related to the lack of application of this principle in the Sahara, while from the Moroccan point of view, it is related to Moroccan territorial integrity, which was broken up by imperialism.

The 1978 Summit

In the Khartoum summit of July 1978, Algeria gained a point to its advantage when the resolutions of the summit indicated that the real issue was the figure of the Saharan people, and a "Council of Wise Men" was formed to find a solution to the conflict. In a conference in the Liberian capital of Monrovia, in 1979, Algeria added another point to its advantage when the summit called for a referendum to be conducted in the Sahara, and Morocco pulled out of the Monrovia summit, because it had invited the Polisario to attend in order to listen to its point of view.

In the conference in Freetown, capital of Sierra Leone, in 1980, the dossier on the controversy encountered a new complication. The number of nations recognizing the Polisario had reached 26, and although Morocco expressed willingness during this summit to cooperate with the Africans to settle the conflict peacefully, the resolutions were not favorable to it.

In the Nairobi summit, in June 1981, the Moroccan monarch decided to participate personally in the activities of the summit, declaring before its opening session his willingness to undertake, to the limit of his understanding, an initiative harmonizing with African attitudes. King Hasan II took the assembled group, including Algeria, by surprise by approving the organization of a referendum in the area. He shuffled the cards again.

The OAU was now overwhelmed and confounded by new details. How will the referendum be organized? Who will carry out the referendum? What questions will be asked of the Saharan residents? How will a cease-fire agreement be applied? And a number of other questions.

What Next?

After Morocco's decision to withdraw from the OAU, and the Polisario's joining it, the thorny question now being tossed about is: "What next?" Diplomatically, the acting secretary-general of the OAU, Dr Peter Onu, requested that Morocco abide by the measures stipulated in the character of the organization; namely, waiting one full year before considering Morocco's decision to withdraw to be final. It seems clear that the OAU intends, by this formal measure, not to close the door on diplomatic efforts, so that Morocco could examine its decision.

It may be said that any decision which the organization will adopt currently has no significance in light of the absence of one of the principle and fundamental parties to the struggle, just as it is impossible to overlook the fact that the Polisario's joining the OAU has no practical meaning in light of Morocco's full control over the Sahara. By means of a letter sent to the current president of the organization, Julius Nyerere, the Moroccan monarch explains that Morocco asks that during this period "Africa consider the matter," and he asks for an interpretation of the fourth paragraph of the organization's charter, which stipulates that any sovereign, independent African nation can be a member of the organization. Morocco asks: "Over what territory does the 'Saharan Republic' have sovereignty?"

If the decision adding the Polisario to OAU membership is in some aspects a victory for Algerian diplomacy, the withdrawal of Morocco from the OAU, in response, places the diplomatic efforts of the OAU to solve the Saharan conflict in a real dilemma. By this, we can understand the complexities besetting a conflict in its 9th year.

Although the OAU did not refer to the issue of the conflict in its resolutions at the end of the "summit of twenty," diplomatic sources anticipate that there will be an inclination to seek "a middle road," a solution taking into consideration a difficult and detailed balance of conducting a referendum in the Sahara without direct negotiations, and the full membership of the "Saharan Republic" in the OAU.

Will this possibility come to fruition in light of current conditions? No one has the answer.

On other grounds, some observers think that the Polisario front will continue to exploit its membership in the OAU to seek additional recognition in the international arena. This doubtless means that the dossier on the conflict will enter new labyrinths.

Another possibility continues to excite apprehension and fear: that diplomatic developments will lead to military escalation in the Sahara. This would involve the organization in a real war, opening the door wide to possible internationalization of the conflict.

When addressing the Africans, the Moroccan monarch said: "The day will come when those who have deluded themselves and strayed from the wisdom of Africa return, and the ancient Maghrib, its tradition and its history, will remind them that African wisdom always overcomes mistakes of departure." The competition for "the wisdom of Africa" is naturally a competition by each party's view to master the conflict. An ancient African maxim says: "The drums beat war and peace at the same time."

12780

CSO: 4504/125

IRAQ

NATIONAL ASSEMBLY SPEAKER DISCUSSES WAR, FOREIGN RELATIONS

London AL-AHRAM: AL-TAB'AH AL-DUWALIYAH in Arabic 14 Nov 84 p 6

[Article by Mahmud Murad: "Frank Interview with Iraqi National Assembly Speaker; Arab League Produces Limited Results and Arab Action Needs To Be Developed; Syria and Libya Must Be Tasked for Their Actions and Their Position Must Not Go Unpunished"]

[Text] The Iraqi National Assembly speaker has demanded that the Arab countries exert pressure on and take a decisive position vis-a-vis both Syria and Libya for the moral and material assistance they offer Iran in the war against Iraq. The speaker has said that the Arab League must put these two members on notice that their action will not go unpunished and he has stressed that what Syria and Libya are doing is in total contrast and conflict with the Joint Arab Defense Treaty, that it is unprecedented and that it sinks lower than the lowest level ever reached by any Arab differences. The speaker has also called for developing the "limited-results" Arab League and for changing the view toward future Arab section.

The Iraqi National Assembly speaker is Dr Sa'dun Hammadi, who, before being elected speaker in the Assembly's first session (on 31 October 1984), was minister at the presidential office. Nearly 2 years ago, Hammadi was Iraq's minister of foreign affairs and he is considered one of the most prominent and experienced Iraqi politicians who have engaged in diplomatic action and participated in Arab action throughout the past quarter century. It is perhaps because of these reasons and because of the education and experience he possesses that he has been elected speaker of the National Assembly at a time when Iraq is going through a critical phase.

Despite all the concerns of the war, which entered its 5th year on 4 September 1984, Iraq is eager to maintain its normal life. This is why it has been determined to proceed along numerous civil lines and to hold the elections of the National Assembly's second session, which were conducted on 20 October 1984, i.e., during the Sayf Sa'd battles which took place along the central axis. In this regard, the Iraqi explanation to the Iranian attacks is contained in Saddam Husayn's statement that Iran sought to achieve two objectives [with those attacks]: cover up the failure of the Iranian elections which were held several months ago and which were boycotted by a tangible majority of the people and, second, spread confusion and obstruct the election process in Iraq.

Herein lies the great importance of the democratic format, and lies as well, objectively, the importance of the democratic actions and of speaker Sa'dun Hammadi, who managed the meetings of the 1st week of the session in the presence of the 250 members of the Assembly, formed the Assembly committees and began to put in order his ideas for the new phase and its tasks, focusing on the political dimension which, if I am not wrong, is his love and his life. This is why "politics" has been the inlet to the interview with Hammadi and why the issue of the constant military arming of Iran has constituted the start of the conversation. This is in addition to what is said about the so-called "forgotten" Iraq-Iran war. Despite the length of this war, the major powers are not interested in stopping it. Rather, they help the other side even though it rejects every peace efforts.

What does Sa'dun Hammadi say?

We have contacted the major powers and told them frankly what is going on and what we think of the military aid advanced to the Iranian regime. They have assured us officially that they do not want the war to continue. These official assurances have been repeated by the United States, the Soviet Union and others. But there is the fact that Iran gets western weapons befitting its armament system. It may be said that these weapons come from the black market. However, quantities of such dimensions cannot be delivered by the weapon dealers without the approval and consent of the governments, even without their facilities. We have pointed this out repeatedly to the countries concerned and have told them that continuing the war by encouraging the Iranians is not in anybody's interest and not in their interest. They have answered by saying that they have no knowledge of this issue and have asked us to supply them with information to stop this [black market] trade.

They have asked us for this but we believe that if the major powers want truly to prevent the delivery of weapons to Iran, then they are not incapable of doing so. We believe that the major powers do not conclude direct deals with Iran. But this is not the only way to deliver weapons to Iran. There are other ways, including the deals concluded between Iran and Israel, deals that are documented and proven with evidence. Therefore, we cannot say decisively that the major powers do not facilitate the delivery of arms to Iran, even though continuation of the war is adverse to the interests of these countries in our area.

When will the war end?

The war is still going on and I cannot speculate on when it will end even though I believe, considering that no war lasts forever, that this war will end someday. But when will this day come!

Speculation cannot be accurate because the situation in Iran is subject to numerous possibilities.

Generally, the Third World developments are not of the predictable type. Usually, events in the Third World countries occur suddenly because their conditions are not normal and not stable enough to allow every action to have its prelude and every consequence to have its causes, especially in the case of Iran.

The current situation may seem gloomy and may offer no signs of the war ending tomorrow. But nobody can be sure because an event may occur in Iran tomorrow, turning the picture upside down and changing all the features!

It is the opinion of some political thinkers that the Third World conditions are like quicksands that do not settle in one spot and that move from spot to spot.

Therefore, one cannot say that the war will continue or it will end tomorrow. However, one must take into account the fact that the conditions in Iran are deteriorating, that Iran's capabilities and economy are declining and that the Iranian army's morale and combat spirit are weakening. All these are negative signs in Iran's calculations.

Usefulness of Diplomatic Efforts

In Iran, they cannot settle on one opinion and their conditions for ending the fighting are not the same. In this respect, they are as far as can be from precision. The Iranian officials' statements always reflect the internal conflicts and oneupmanship and are intended for internal consumption. As they are gambling with the war, they are gambling by rejecting the peace efforts.

Despite the Iranian position, I believe that it is necessary to continue the diplomatic efforts and action for peace. This action may not produce fruits tomorrow. But every diplomatic action leaves its imprint on the Iranian public opinion. I believe that there is inside Iran a broad sector of the Iranian people who have come to believe in the need to end the war and to establish peace. This sector is growing daily.

This is why the diplomatic effort, even if long-drawn, must continue. We must not submit to the conclusion that as long as the Iranian regime has rejected and continues to reject the peace efforts, then we should not engage in diplomatic endeavors.

I believe that there is no country in the world that can disregard the power of the impact of domestic and international public opinion. It is true that the degree of this impact may vary but there is no country that is not thus influenced.

Safeguarding Arab Independence.

The prolonged war has taught lessons to both the Iranian and Arab sides.

Insofar as the Iranian side is concerned, it must think twice before embarking on any aggressions or violations against the Arabs. Previously, it was unusual to take the Arab side into consideration. That is what ancient and modern history says. The development of our agreements from 1913 to 1937 and to 1975 proves that the Iranian side has always abrogated and violated the treaties, making one gain and then shortly afterwards gaining a new step and concluding new treaties with new demands, and so forth. But it has become evident now that the Iranian side will not be able to attack the Arab side and

that the Iranian side's influence over and domination of the Arab Gulf area has ended forever and that it has become necessary to establish a balanced relationship founded on mutual respect for the rights of each side.

This will put an end to a state of conflict that has lasted a long time and it will create a positive factor for peace and stability in the Arab Gulf area by ending Iranian control and ambitions of domination.

Insofar as the Arab side is concerned, there is now a stronger and broader awareness in the countries overlooking the Gulf that there is no alternative to intrinsic strength and that it is impossible to safeguard independence without this strength, meaning that it is impossible to do so with the friendship of a major power.

The theory of preserving independence through foreign relations with the major powers has fallen finally and it has become obvious that the solidarity of the Arab Gulf states and strengthening their intrinsic political, military and economic strength is the base for maintaining this independence.

What pinpoints what I am saying is Saudi Arabia's downing of an Iranian aircraft which violated Saudi airspace and planned to strike [targets on] the Saudi coastline. When the Saudi Air Force downed this plane, Iran did not repeat its endeavor. This indicates that if Saudi Arabia had not retaliated with the force of arms, Iran would have continued violating and attacking the Arab side, be it Saudi Arabia or others, all of whom have now developed this awareness.

Our Arab Conditions Are Difficult

So Arab solidarity is required and the intrinsic Arab strength is required. But the Iran-Iraq war experience has exposed an unprecedented negative aspect. It has never so happened that an Arab country stood openly and frankly with a foreign country professing and acting to invade another Arab country.

Syria's and Libya's material and moral support for the Iranian side in the war is a serious precedent that has gone far beyond and sunk far below the minimum limit acceptable in Arab differences.

This position has its major effects on the Arab position generally and on the present and future morale in Iraq. What will the Iraqi citizen and soldier say if a new war breaks out against Syria? Will he rush to fight next to his Syrian brother or will he recall his brother's current position?

We as a system and a leadership will not, of course, chart a new policy and this "precedent" will not have principled adverse effects on our pan-Arab tendencies. But don't you think that the rift has penetrated deep into the hearts of the Iraqis?

Our Arab conditions have reached the point where they now require greater efforts to be restored to their normal course. Working under the canopy of the

Arab League has become difficult because the Arab position is tarnished by a state of pan-Arab non-solidarity which cannot be overcome.

Tasking and Punishing "Outlaws"

Though the Arab League is functioning with current resources, it must be preserved and strengthened. We must know that the League produces limited results because this is the outcome of the current conditions in the Arab homeland. However, we must not be psychologically discouraged when its results are limited and we must develop it.

For example, there is officially an Arab joint defense treaty but it is not implemented. Moreover, we find two Arab countries that are League members (Syria and Libya) assisting a foreign country in its war against another Arab country that is a League member.

This position requires the other League members to exert strong pressures and to take the necessary stance to make these two members (Syria and Libya) realize that the action in which they are engaged will not go without consequences and unpunished.

Yes, a decisive and strong stance must be taken against the Arab countries that support Iran and these countries must, if possible, be penalized.

This is a must to eliminate the negative Arab features and to magnify the positive features of the other countries that take honorable positions, including Egypt whose relationship with Iraq is developing and growing daily.

8494

CSO: 4404/120

IRAQ

ARMY COMMANDERS CLAIM ALL IRANIAN MOVEMENTS ARE TRANSPARENT

London AL-DUSTUR in Arabic No 351, 3 Dec 84 p 17

/Article by 'Abdallah al-Qaysi: "Amidst Iranian Military Escalation and Moves, Trap No 11 Is Waiting"/

/Text/ Baghdad--Iraq is fully prepared militarily. Its strength is growing and its morale reflects the extent of the fighter's self-confidence and of his determination to defend his homeland. Meanwhile, Iran is hesitant, at times escalating the political situation with threats and another with small-scale military acts and with talk about imaginary victories which exist only in the mind of its politicians. These statements about victories fall within the framework of the struggle for power and the oneupmanship in which the regime's leaders are engaged. It seems that the Iranian statements and the insinuations of attacks have become a strategy adopted by the Iranian regime now that this regime has failed both militarily and politically to defeat Iraq, which the Iranians have described in their statements as "the dam that impedes the onrush to occupy the Arab Gulf and to subjugate its countries to the Islamic Republic."

On its part, Iraq is aware of all the details and of all the apparent and secret Iranian movements and Iraq's intelligence agencies are active and accurate. The element of surprise has also fallen from the Iranian wager to achieve any victory against Iraq. All of Khomeyni's prophecies--142 prophecies-- have also fallen and not a single one of them has come true. Thus, the Iranian man in the street is disappointed, not only regarding his future but also regarding the future of the Iranian peoples, according to an Iranian who has fled from Tehran to Iraq and who has told AL-DUSTUR that the Iranians have begun to say: "If Khomeyni were right, at least one of his prophecies, all of which express his wish to occupy and subjugate Iraq, would have come true."

On its part, Iraq is fully prepared. This readiness is reflected in the statement made by an authoritative Iraqi military spokesman in response to Rafsanjani's latest statements caliming that Kuwait has given the two islands of Bubiyan and Warbah, at the tip of the Arab Gulf, to Iraq. Rafsanjani has also threatened Kuwait /saying/ that Iran will occupy the two islands by force and will not return them to Kuwait. Rafsanjani has further claimed that the two said islands were delivered to Iraq during the visit made recently to Iraq by Shaykh Sa'd al-'Abdallah, the Kuwaiti crown prince. Rafsanjani added that he is going to end the war with a military decision.

The Iranian statement has evoked broad-scale Iraqi and Gulf reactions. Iraq has defied Rafsanjani and the authoritative Iraqi military spokesman has said: "We will turn it into a war of devastating annihilation that will fill the world with their corpses. Wills are tested with acts and with the quality of the men and of their weapons." Addressing Rafsanjani, the spokesman added: "Rotten man, we defy you to go beyond the limits of the words with all the hordes you have because none of them will escape, God willing."

The Iraqi spokesman perhaps wanted through this to underline a previous statement by President Saddam Husayn in which the president said: "If they try to attack this time, we will completely wipe out their offspring."

The political escalation by Rafsanjani seeks to raise the collapsing Iranian morale and, then, to threaten Kuwait and the Arab Gulf countries and to try to blackmail and influence a number of the Arab Gulf countries amidst reports saying that the Gulf people have begun to deport Iranians suspected of engaging in acts of sabotage and to life the citizenship of some naturalized Iranians because of their suspicious moves in the area.

On the other hand, the reports also point to new Iranian movement along the central sector. The sophisticated Iraqi technology serves the Iraqis, making it possible for them to detect any Iranian movement and to find out the size of the personnel and equipment involved in such movement.

AL-DUSTUR has learned from an Iraqi military source that the Iraqis detected the Sayf Sa'd attack 48 hours before it was launched and knew the size of the attacking force, which included three Iranian military divisions withdrawn from East al-Basrah sector and thrown into the battle. Meanwhile, the Iranians tried to lure Iraq into withdrawing some of its forces in East al-Basrah sector in an attempt to start military action on two fronts. But Iraq was aware of the Iranian game and was content to move the reserve Republican Guard brigade which possesses sophisticated weapons and tanks that track down their targets with laser beams. The battle ended with a final decision, constituting trap No 10 in the chain of abortive Iranian offensives launched since Iraq withdrew from the Iranian territories to its international borders in 1982. The Sayf Sa'd battle started with a limited objective and Iran, claimed that it wanted to occupy the hills to drive away the Iraqi artillery, then Iran perpetuated the battle's military momentum and this momentum then turned into Rafsanjani's straight "line" across the sand dunes to occupy Baghdad. The world laughed derisively after the battle's failure and Rafsanjani held his peace for about a month only to emerge before the world with a new statement in an attempt to occupy Warbah and Bubiyan islands.

The Iranian threat to occupy Warbah and Bubiyan islands will perhaps turn into the straw that breaks the camel's back. Iran may try to commit suicide in the Gulf with a military endeavor doomed to failure and an endeavor that may constitute the beginning of the internationalization of the Gulf war, especially if Iran attacks Kuwait. Iran may carry on with this endeavor to internationalize the war in order to save its face now that it has failed to occupy Iraq and that the entire world has ridiculed the Iranian conditions to end the war, which has entered its 5th year, especially Iran's demand that Iraqi President Saddam Husayn be ousted as a condition to end the war!

The Iranians may also be looking for a way out of the crisis in which they are floundering, especially since the war has started its countdown against them.

Khomeyni addressed a number of the Iranian regime's officials recently and acknowledged Iraq's growing striking power. Estimating the distance between the Iraqi coastline and the Iranian Kharj Island at 300 km, Khomeyni acknowledged that Iraq has weapons and missiles with a range of 500 miles, according to his claim. The authoritative Iraqi military spokesman has acknowledged that Iraq does have new sophisticated weapons.

In one of his statements, Iraqi President Saddam Husayn talked of new strategic weapons. The London Strategic Studies Institute has compared the weapons Iran possesses with those Iraq possesses. It is the Institute's opinion that Iraq doubled its heavy weapons last year and that Iran has not been able to catch up with Iraq, thus making it unlikely that Iran will launch a major offensive, considering that Iraq's heavy tanks have increased from 2,360 tanks to 4,820 sophisticated tanks, compared to 700 operative Iranian tanks. The institute's report also indicates that insofar as the air forces are concerned, Iraq last year increased its fighter planes from 330 to 580 planes whereas Iran possesses only 60 operative fighter planes. As for artillery, Iraq possesses 3,500 guns, compared to 1,000 Iranian guns. The recent gun shipments have raised the number beyond the above figure. Iraq has also recently received a number of very sophisticated aircraft which, according to some reports, can get to any military target in Iran, beginning with Tehran and ending with any other remote Iranian city. The reports add that these and other sophisticated aircraft have not been introduced into the battle yet. The Iraqis have been able to absorb the sophisticated and complex weapons in record time, have developed some of these weapons on their own and have developed a good mastery of their use.

According to a statement made by Maj Gen Mahir 'Abd-al-Rashid, the commander of the Iraqi III Corps, to AL-DUSTUR, the Iraqis will force the Iranians, if they try to commit suicide across East al-Basrah, to follow in their offensive the right flank of the III Corps in al-Faw area, which is a very difficult area for the Iranians to cross because of the area's geography and because of the Iraqi defense fortifications there.

Another Iraqi military commander has told AL-DUSTUR that "whoever tries to cross Shatt al-'Arab will die with Iraqi weapons and whoever falls in Shatt al-'Arab will be devoured by the sharks."

The 11th Iraqi trap is completely ready and is awaiting the Iranian attackers.

As for the central sector, the Iranians may launch an offensive there, considering that it is the sector most likely to witness their offensive. The Iraqis are always aware of the most precise details, and immediately so.

A western expert on Iranian military affairs seems to like the Iraqi president's characterization of Khomeyni as a "wounded pig." This western expert has described Khomeyni as a "cornered and wounded pig" that is unable to break the siege around him and that screams and strikes blindly, imagining that this would free him or would scare its captor to release it, but to no avail.

TRADE MINISTER UNDERLINES SIGNIFICANCE OF BAGHDAD TRADE FAIR

London AL-TADAMUN in Arabic No 85, 24 Nov 84 p 35

[Interview with Hasan 'Ali, minister of trade, by As'ad al-'Aqli: "Iraqi Minister of Trade to AL-TADAMUN: "Participation in Baghdad International Fair Has Reflected World's Confidence in Iraqi Economy"; in Baghdad, date not specified]

[Text] Baghdad--Throughout the war years, the Iraqi economy has continued to capture the interest of the Iraqi Government as one of the priorities of steadfastness and survival. This interest has been reflected in the various economic sectors that have grown and developed in a period considered one of the most difficult periods in Iraq's modern history. On the agricultural front, Iraq has achieved self-sufficiency in numerous food commodities. This sufficiency has also extended to numerous manufactured goods produced by Iraq's plants under the pressures of the fight.

New Iraqi manufactured goods have annually found their way to Baghdad International Fair, which has continued to be held throughout recent years despite the war. The 21st session of this fair was organized in the first half of this month of November and this was an occasion to interview one of the economic leaders in Iraq to review the developments on the economic front.

AL-TADAMUN has interviewed Husan 'Ali, the Iraqi minister of trade, who has accompanied the development and growth of Iraq's foreign economic relations for long years.

The urgent question concerned the important indicators of the economy's tendencies in the present phase. The minister said that the Iraqi economy has achieved numerous accomplishments within two main directions: first, the utilization of investments in numerous local production and service activities and, second, expansion of the scope of the socialist (public) sector in the various activities of the national economy.

As an embodiment of these two directions, the production value rose from 1,487,200,000 dinars in 1968 to 14,492,200,000 dinars in 1981. In 1981, the local product rose by 818 percent in comparison with 1968. In 1982, the local product increased by 33 percent in comparison with 1981.

It is worth noting that the socialist public sector's contribution has grown in all spheres of the national economy, with this sector's contribution to the gross domestic product rising from 24.5 percent in 1968 to 60.3 percent in 1981 and 60.4 percent in 1982. In 1981, the national income rose by more than ten fold in comparison with 1968 whereas the increase from 1981 to 1982 amounted to 34 percent. Thus, the average individual income rose from 91.8 dinars in 1968 to 666.1 dinars in 1981 and 874.2 dinars in 1982.

[Question] What are the preferred priorities concerning supplying essential goods in the shadow of the war Iraq is confronting and how do you view the character of the relations existing between Iraq and the various international [economic] groups?

[Answer] Under the circumstances of the current war imposed on it, Iraq puts emphasis on securing the requirements to bolster the war effort and to give it priority over the other economic activities while exerting efforts to enhance the production capabilities of all the other sectors. Here, we must cast a quick look at our trade policy. In the shadow of the ongoing war, achieving the final victory in our just battle must be the focus of our thought when determining the economic tasks. This is a strategy established to serve development and the war without undermining the citizens' basic needs while working to secure the requirements needed to perform the task of enhancing the production capacities of the various branches of the economy, to complete the development plans and to strengthen the economic and trade relations between Iraq and all the friendly countries. In this respect, our economic policy vis-a-vis the Arab countries has been characterized by relying on the principled approach which stems from viewing Iraq as a part of the Arab homeland--a part that seeks to achieve economic unity as a fundamental inlet toward achieving Arab unity.

We must point out here that numerous trade and economic agreements have been concluded with a large number of Asian countries. Iraq has also concluded numerous economic and technical cooperation agreements with a number of eastern, western and central African countries. Our economic and trade relations with the socialist countries are characterized by relying on annual trade programs. The economic and technical cooperation agreements and the agreements to expand the trade exchange with these countries have been concluded through bilateral and collective cooperation.

Iraq also has economic and technological relations with the advanced industrial countries. These relations are founded on the basis of mutual interests and some of them have a distinguished place. The year 1984, especially since the holding of the latest Baghdad International Fair, has witnessed the convocation of numerous meetings by joint committees. The country has also exchanged numerous trade and technical delegations in implementation of the 1984 (recommendations) of these joint committees in order to follow up on and to develop the economic cooperation opportunities between Iraq and these countries.

[Question] What are the main characteristics of the Baghdad International Fair and what is new in the fair's 21st session?

[Answer] The ministry has sought to make the Baghdad International Fair a distinguished and important fair, not just at the level of the area but also at the international level, in terms of organization, of the number of countries participating and of Arab and foreign firms participating. This is in addition to offering variety in the goods displayed. The ministry has succeeded in turning the fair into a political, economic and media gathering and has used it as an effective means for developing bilateral economic and trade relations as an inlet to developing political relations.

Acting on political and economic premises, the ministry has invited the largest number of trade and economy ministers or their representatives to attend the fair sessions and to hold meetings and discussions during these sessions.

This interest has increased the number of visiting delegations to more than 60 delegations, including no less than 40 ministers representing the world's various economic and social systems. Despite the war conditions, we have exerted big efforts to keep both the fair and the participation in this fair at a good level. The number of participating countries amounted to 74 in 1980. This participation has continued despite the ongoing war of aggression launched against our country. A total of 62 countries and 1,790 companies participated in 1983. This reaffirms the position the fair holds internationally and is a proof of the reputation the fair has gained among the world's fairs. The economic gains achieved from developing the fair are embodied in the contribution to securing the requirements of the foreign trade plan in production and consumption goods, to acquiring numerous goods with a sophisticated technological quality and to finding unconventional sources for supplying consumption and production goods at competitive prices. Regarding the 21st session which was held from 1-15 November 1984, the number of participating countries exceeded 60 countries, in addition to a large number of international firms. This participation exceeds by far the acknowledged figures for participation by countries in the international fairs. This reflects the level of the world's confidence in the Iraqi economy and in its prosperous future.

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LEBANON

DEPUTY AL-HAFIZ COMMENTS ON AL-NAQURAH NEGOTIATIONS

London AL-HAWADITH in Arabic No 1464, 23 Nov 84 pp 15-16

[Interview with Amin al-Hafiz, chairman of Chamber of Deputies' Foreign Relations Committee, by Amin al-Siba'i: "Amin al-Hafiz to AL-HAWADITH: Lebanon's Future Will Be Determined in Negotiations Far From al-Naqurah"; date and place not specified]

[Text] Once again, the U.S. policy is approaching, as indicated by the shuttle visits of U.S. Envoy Richard Murphy in the Middle East area, a new experience through the cautious U.S. interest in the Israeli occupation as a part of Lebanon and through the broader interest in the area's main problem.

Estimates and expectations vary on the U.S. desire, whose details are not clear yet, to present the expected initiatives and draft solutions for the issues of Palestinian rights and of the Israeli occupation.

Amin al-Hafiz, an ex-prime minister and chairman of the Lebanese Chamber of Deputies' Foreign Relations Committee, believes that Middle East and world conditions impose on the Lebanese administration a number of duties which it must perform, unless it wants to be left behind by the rapidly accelerating international events and positions.

With the eye of an observer and an expert on the affairs and concerns of the Lebanese and Palestinian issues, Chairman al-Hafiz believes that in addition to what is being concocted beyond the framework of the difficult and public dialogue seeking to oust Israel from Lebanon without any concessions or gains, President Amin al-Jumayyil must move quickly toward the world's decision-making centers so that he may participate in determining the area's and Lebanon's future. Al-Hafiz also believes that the president must go without reluctance to two essential summits, one with President Reagan and another with Soviet President Chernenko to settle the ongoing debate concerning Lebanon's right to be the undisputed sovereign over all its territories.

Chairman al-Hafiz has defined his viewpoint and his expectations in this interview with AL-HAWADITH which began with the following:

[Question] How do you view the next phase, the U.S. role and the intricate talk about initiatives and solutions after President Reagan's election?

[Answer] President Reagan has been the same as the others who have assumed the presidency of the United States during the period which preceded and followed the Palestine catastrophe of 1948 that has produced the so-called Middle East problem. A number of those presidents tried to tackle this problem profoundly and to solve it. But after launching their endeavors, they were all surprised by the vast Zionist influence in the United States and by their inability to counter or confront it. They thus submitted to the fait accompli, backed down and tried to forget the problem.

The examples in this regard are not few. The most significant, to my recollection, was the Rogers initiative which Kissinger torpedoed so that the preparations for the Camp David accord, formulated according to the Zionist will, may be cooked over a low fire.

Another example is the U.S.-Soviet communique which was issued in 1977 and on which President Carter was forced to back down a few hours after it had been issued. Under Reagan's very administration, there was the plan known as the Reagan plan which Israel rejected the moment it was made public. Consequently, Reagan could not impose it on the Arabs, not because some Arabs had reservations on it but because the Zionist lobby did not want it as a real solution for the Middle East problem at this particular time and before this lobby could accomplish the phased dreams of Zionism to devour parts of the Arab countries, especially the West Bank and perhaps a part of South Lebanon.

The latest example of the U.S. presidents' retreat is Reagan's stance on the Lebanese problem and on the firm and decisive promises he made several times to President Amin al-Jumayyil to exert efforts to end the occupation and to restore sovereignty to the State of Lebanon. I also recall that President Reagan told ex-Prime Minister Sa'ib Salam when the latter visited him as a personal representative of President Amin al-Jumayyil: "My car has no reverse." Moreover, President Reagan said to President al-Jumayyil in front of the world's reporters and press and television cameras during the latest visit al-Jumayyil paid him the words that have become famous: "You can depend on us." But President al-Jumayyil discovered in his latest visit [to the United States] on which I personally accompanied him that the U.S. administration, headed by Reagan, is in the process of seeking a way out of this commitment and that it has become impossible for Washington to stand in the face of the Zionist will, which does not want a solution to the Lebanese problem and does not want to end the occupation of the south. What is more, Israel was not even serious in [its commitment to] the 17 May accord itself, as proven by the condition Israel set in a message to the U.S. administration after conclusion of the accord--a message expressing Israel's unwillingness to withdraw unless there is a simultaneous withdrawal by the Syrian forces. This indicates the lack of seriousness from the start because this condition was impossible and Israel knew that it was impossible. This shows that Israel did not plan to implement the accord or to withdraw.

When President Reagan commented on his failure in Lebanon more than 3 months ago, he said that the reason for this failure was the U.S. Congress. In this respect, Reagan told only a half truth and did not dare tell the whole truth, meaning that he did not say who encouraged the Congress to oppose him and did

not say that the Zionist lobby had encouraged the majority of the Congressional members, who are known for their loyalty to it, to prevent Reagan from fulfilling his promise.

It seems to me that a number of the U.S. presidents who have come to power over a long number of years did not believe or did not wish to believe that the Zionist influence in their country is so vast and strong. They did not take this influence into their consideration when launching their initiatives, only to be surprised and to back down afterwards. If the surprise is repeated, the retreats will also be repeated.

Through this historical review, I seek to demonstrate what Lebanon may expect of President Reagan in his second term, keeping in mind some developments, of which the most important are:

First, President Reagan has scored an overwhelming victory in nearly all states of the union. This reflects the clear and sweeping trust the U.S. people have put in their president, a trust which can give him a free hand in numerous things which he had planned to accomplish in his first term but could not.

The question here is: Is the Lebanon issue one of these things that hurt him and one in which he finds his past failure difficult to accept? We must express a reservation here, namely that the outcome of the congressional elections has not been exactly to his heart's desire. Rather, the makeup which stood in the past against achieving anything Israel does not want has now been bolstered and President Reagan now has to face the Congress if he wants to do anything that annoys Israel. Will he, we wonder, be able to at least willing to have such a confrontation for the sake of Lebanon?

Second, this question may become less difficult when we note that there are signs indicating that Israel itself has begun to think of withdrawing from Lebanon either because of internal and economic reasons or for reasons connected with the bargaining it plans to engage in later when the new Israeli cabinet raises the Middle East issue in its entirety.

Third, Reagan's overwhelming victory will urge the Soviet Union to move and to embark on positive steps in order to prevent the United States from reoccupying positions it had vacated in the world because of the U.S. administration's vacillation and its failure to understand or deal with a number of international problems. This movement will begin with concerted contacts between Moscow and Washington--contacts which will not be confined to the disarmament issue or to the issue of international detente but which will go beyond to the existing international problems.

This is why Lebanese diplomacy must move in the direction of both sides and must re-establish contact with President Reagan at the top level to remind him of his promises, not to mention the necessity of contacting the Soviet Union at the same level, which is something that was neglected in the past.

[Question] What is your evaluation of the military negotiations between Lebanon and Israel in al-Naqurah and do you think these negotiations will lead to wrenching a decision of complete withdrawal from Israel?

[Answer] The ongoing negotiations are important by themselves. But they are not the instrument that will lead to an understanding over the Israeli withdrawal. This is because the importance of these negotiations lies in their procedural quality. As for the decisive and effective role, it belongs to the undeclared contacts made by the parties directly involved in the issues with parties indirectly involved to discuss a formula on which to reach an understanding and within whose framework interests meet--a framework which is also supposed to include the Israeli withdrawal.

We cannot imagine an Israeli withdrawal without negotiation, or rather bargaining. The bargaining is not conducted openly but behind the scenes. As for the Lebanese side, it is prepared to wade into this situation but there are red lines which Lebanon is determined not to overstep, namely the sovereignty, the unity of the land and the recognized international borders. If the United States has a role in this regard, especially in the wake of the reelection of President Reagan in this strong manner, it is in the interest of Lebanon to be present in all the bargaining processes so as to avert as much as possible any losses it may incur, even if this is done at the expense of other parts in the Middle East and beyond it because each country has its turn in paying the tax. Lebanon has drunk the bitter chalice to the last drop and it is no longer permissible that it pay any new exorbitant prices.

This is what Lebanese diplomacy must move for at the U.S. level, reaffirming and insisting daily on demanding both openly and secretly that the U.S. president fulfill the pledge he undertook one day before the entire world.

[Question] The features of a role which Europe is trying to play in the Middle East are now appearing in the European arena. Do you think that these features are sound?

[Answer] Our experience with the Europeans has become clear. There was a time when we engaged with the Europeans in the dialogue of the deaf. We talked to them about our existing problems and about the political aspects of our issues and they responded by talking to us about economy and culture because they avoided dealing with our real problem. But with the passage of time, and especially in the wake of the Venice declaration, the Europeans have been trying to play a role, even if a subsidiary one, in the Middle East problem. They acknowledge at times and deny at others that they are unable and have no power to participate in determining the future of the Middle East area as long as the United States persists in its position of absolute support for Israel. The fact is that the European position vis-a-vis the United States is weaker than it was in the past. Moreover, there are European demands to the United States which, in the view of European officials, have priority over the Middle East issue, the most important being the demand to organize the U.S.-European relationship, which has been weak at times and vacillating at other times during President Reagan's first term. What is more, differences developed between U.S. administration leaders over these relations, especially when Alexander Haig was secretary of state. Besides, Europe, which has apparently suffered from the U.S.-Soviet disagreement during Reagan's first term, fears that the settlement of this disagreement and the restoration of international detente between the two superpowers will come at Europe's expense.

Europe also fears that the dollar crisis will intensify and the interest rates will continue to rise, thus giving the U.S. ally the major economic gain while Europe continues to flounder in its economic crises, not to mention the difficulties and the conditions of poverty which will intensify in the Third World as a result of maintenance of the dollar's position and of the high interest rates, keeping in mind that the Third World is Europe's natural customer.

These are the concerns that will move Europe to deal with the U.S.-European relationship during Reagan's second term. I do not know if Europe has a sufficiently influential position to persuade the United States to adopt fairer positions on the Middle East issue or on the Lebanon issue.

[Question] Do you think that the Lebanese crisis has been again tied closely to the area's crisis?

[Answer] Insofar as making a distinction between the Lebanese issue and our becoming again a tributary of the Middle East problem, I have on this question an opinion summed up in the following:

I believe that a distinction must be made between the so-called Lebanese problem and the so-called Lebanese crisis. The Lebanese problem cannot be separated from the Middle East problem, considering that Lebanon is adjacent to Palestine, that it hosts hundreds of thousands of Palestinians, that it has a pan-Arab commitment toward this problem and that it takes part with the other Arab countries in abiding by this commitment.

As for the Lebanese crisis, it has emanated from the failure of the successive Lebanese governments over a long period of time to establish a balance between this pan-Arab commitment and their internal national duties to work to preserve Lebanese authority and sovereignty, to insure the progress of all aspects of administrative work and to prevent violations by any faction whatsoever. We can still settle this Lebanese crisis in isolation from the Lebanese problem, not to mention the Middle East problem. This is what the current cabinet says that it is in the process of preparing for.

[Question] Why do you attach hopes to al-Naqurah negotiations as long as all are aware of the outcome of the negotiations leading to the 17 May accord? What is the difference between the two phases?

[Answer] There is a difference between the current circumstances engulfing the military negotiations and the circumstances which accompanied the 17 May accord negotiations. The current circumstances emanate from the changes that have developed since then in the Lebanese policy on the one hand and in the wake of the Israeli elections on the other hand. These changes have developed according to the list of priorities which I have already discussed and which compels Israel to select provisions other than the Lebanese provision to achieve its expansionist goals, at least for the present.

[Question] The experiment of the cabinet of combatants or of participants seems, in the view of some people, an abortive experiment by virtue of the contradictions and failures occurring in the internal arena. What is your opinion of the way the regime is dealing with the crisis?

[Answer] We cannot say that the regime has or has not failed in dealing with the crisis until the experiment, called the national unity cabinet, reaches its limit. This option is an option for the principle of gathering the combatants in a cabinet and compelling them to move from fighting to understanding, or what you call participation. As for the differences, they are due to the period when the regime was in another valley, i.e., when the regime had not chosen the national unity cabinet formula and when it was wagering on the U.S. promises, as we have already noted. At that time, the differences between the Lebanese regime and the opposition, which was allied with Syria, were sharp. Some opposition leaders were then making detailed demands concerning the factions and provinces they represent. The other part of the opposition stuck to the generalities and its demands did not go beyond the issue of justice generally. But when the regime changed its direction, renounced the 17 May accord and ended its direct relationship with the United States, when top-level understanding was reached between the Lebanese and Syrian presidents on issues connected with Lebanon's pan-Arab position in the area and with its commitments to the main [Arab] causes, when an understanding was reached on the army's future and on cooperation between the regime and the Syrian side, when an understanding was also reached on the side to which Lebanon will adhere amidst the wave of Arab axes which emerged earlier and later and when Lebanon decided to coordinate its foreign policy with the policy of Damascus--all this made the previous demands posed by a faction of the opposition, demands to which this faction committed itself before its members, fade in significance in comparison to the past. But this faction can no longer back down before its members or group. This is what causes the flareups that persist until now.

[Question] You expected in the past developments that would confirm the final Judaization of the West Bank and the stripping away of a part of the south. Are there new given facts that alter these expectations?

[Answer] If I had the Moroccan fortune teller's or Indian faqir's crystal ball, the matter would be easy. But our awareness of the Zionist long-range plans and of the methods employed by world Zionism make us hope that there are priorities which are not, perhaps, topped by Lebanon this time. This is an opportunity for us to escape the snare and to turn to putting our internal affairs in order.

[Question] In the language of "eras," beginning with the Israeli era and ending with the Syrian era, what is the name to be given to the present phase in Lebanon?

[Answer] The most accurate name might perhaps be the following: The era of the disappointment of some who wagered on the United States and Israel. Then comes the return of the normal situation to Lebanon, namely the situation of cooperation with the side committed nationally to standing in the face of the Zionist danger and the side that has devoted itself to adopting the policy of intransigence which has produced for this side results and fruits, contrary to the other Arab countries that have sought flexibility and have reaped no benefit from this flexibility. We all remember the two abortive visits made by King Husayn and President Husni Mubarak to the United States a few weeks ago

and which ended with failure because the U.S. administration did not agree to respond to any of the demands of these two visitors. They thus returned to their countries and have begun to seek new horizons which are still in the realm of the unknown.

[Question] The ghost of partition is still present in all minds as an expected danger, despite the reassuring signs that indicate rejection of this partition. Do you or don't you see this ghost as coming?

[Answer] Each of the parties bargaining over the Middle East issue has a formula of which it dreams or which it declares. These formulas are projected so that one of them may be chosen for the Middle East problem. Each formula has its consequence for Lebanon. One of these formulas calls for establishing sectarian entities in the area. It is normal that the consequence of this particular formula would be an actual or official partition of Lebanon. But this choice has not been made yet, even though the preparation for it was made in Lebanon, at least geographically and psychologically. But I believe that the forces that do not want this formula to be implemented are more influential than the counter forces. This is why the ghost of official partition has moved away at present.

[Question] In response to the criticism concerning the severed or faltering relationship between the regime and the Chamber of Deputies, what is required to make participation in the responsibility by both sides effective?

[Answer] The Chamber of Deputies has its role in all the various phases, and we are not about to enumerate these phases here. It suffices to say that the presence of the Chamber of Deputies and the Chamber's activities are what have guaranteed the continuity of the Lebanese system so far, despite all the storms and tempests that have engulfed Lebanon from the start. But now that there has been improvement in the coordination and harmony between the legislative authority and the executive authority, it is axiomatic that the Chamber of Deputies' role is more important than ever before.

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LEBANON

CHAMBER OF DEPUTIES SPEAKER DEFINES U.S. ROLE

London AL-HAWADITH in Arabic No 1463, 16 Nov 84 pp 19, 21

[Interview with Husayn al-Husayni, Chamber of Deputies speaker, by Sharbil Zughayb: "Chamber of Deputies Speaker to AL-HAWADITH: Only Role Requires of Reagan Is To Put Pressure on Israel"; date and place not specified]

[Text] Many of those who have accompanied the phases leading to Husayn al-Husayni's assumption of the Lebanese Chamber of Deputies speakership believe that his election as head of the Lebanese legislative authority under the current Lebanese circumstance encompasses certain dimensions and symbols that will affect the future Lebanese structure that is being drafted by the local, regional and international lobbies.

There are those who say that the man will have the opportunity to be one of the builders of the "second Lebanese republic" from his influential parliamentary position.

The new Chamber speaker has a clear visualization of how Lebanon should be. But he also believes that dialogue is the sound path to all the solutions and that freeing reason and abiding absolutely by the rule of moderation and justice must prevail among all the disputants in Lebanon. He further believes that the phase dictates abandoning the war slogans and theories in favor of peace slogans and vocabulary.

In this interview with AL-HAWADITH, Speaker al-Husayni says that the absence of the Chamber of Deputies was a main reason why Lebanon has reached its present condition.

The interview with al-Husayni started with a question on the circumstances engulfing his election as speaker of the Chamber of Deputies to succeed ex-Speaker Kamil al-As'ad.

[Question] They say that you are the first Chamber of Deputies speaker to come by way of Syrian bayonets and that if it were not for Syrian intervention at the highest levels, you would not have been able to get the parliamentary majority you have gotten. What is your reply?

[Answer] I do not know what the wisdom is behind the continued attempts to harm Lebanese-Syrian relations in this manner. On my part, I do not see any Syrian bayonets in my election to the speakership of the Chamber of Deputies. If there are those who saw such bayonets, I would be grateful to them if they would give their testimony.

I will reiterate my constant statement that Lebanon and Syria are twins, that Syria constitutes a strategic dimension for Lebanon, that Syria has a role which it performs in good times and in hard times and that Lebanon has a Syrian role which it performs in both conditions. I understand the Lebanese-Syrian relationship at its very high fraternal level because it is no secret that Lebanon is experiencing a tribulation for which the Arabs are responsible, as is Lebanon. We need Syria's support, its resources and its capabilities to save Lebanon from its tribulation. It is the duty of Syria to offer this support.

[Question] It is said that 'Abd-al-Halim Khaddam told you that Syria supports you because you did not vote for the 17 May accord. Is this the main reason for Syria's support for you or has this support been the purpose of bringing other Shi'ite parties down to size?

[Answer] Who said that 'Abd-al-Halim Khaddam told me such things? Of course, it is no secret that Syria opposed the 17 May accord. But Syria has a position which it has conveyed not only to me but which it states and which it has actually declared as a state. We are now exerting ceaseless efforts to eliminate the devastating consequences caused to Lebanon by the 17 May accord.

[Question] It is said that those who voted for the accord did so because they saw no alternative that guarantees withdrawal of the Israeli army from Lebanon. Even now, they say that the alternative has not been found yet. What is your opinion?

[Answer] To start with, it was not an accord for which we may speak of an alternative. It was tantamount to stripping Lebanon away from its Arab environment and putting it under Israel's domination. Consequently, the gaps contained in this ill-reputed accord permitted Israel to continue its occupation of Lebanon's territories. The accord contained nothing to signify that Israel will withdraw from our land. We must go back with our memory to the time when the U.S. secretary of state came and when we thought that he would put his country's weight and pressure on Israel to withdraw from Lebanon in accordance with the successive Security Council resolutions since 1978, particularly resolutions No 425, No 426, No 508 and No 509. But regrettably and because of the approaching date of the U.S. presidential elections and of the U.S. president's constant need for Israeli support in the elections, it became evident that Shultz' visit was for the mere purpose of arranging U.S.-Israeli relations, which had experienced some tepidity during the Israeli invasion of Lebanon. Consequently, the U.S. pressure was put on Lebanon, not Israel, to conclude the accord. Moreover, this U.S. behavior has harmed the U.S. role in its entirety because the crux of America's role in Lebanon is its sole and effective role vis-a-vis Israel.

[Question] Some political circles, particularly circles within the regime, are wagering on a new and positive U.S. role in Lebanon after the U.S. presidential elections. What can the United States offer Lebanon now that it has withdrawn from it?

[Answer] The positive U.S. role they are talking about is what we hope for in the near future. We hope that Washington will perform its role which emanates from the fact that it is the only side that influences Israel. If Washington can realize the causes of the failure of its previous role, then I believe that it can make Israel understand the need for a speedy withdrawal from Lebanon so that this country may be able to overcome its tribulation, which has been going on for 10 years.

[Question] How do you evaluate your personal relationship with U.S. policy?

[Answer] I have no personal relationship with U.S. policy. But as a Lebanese, I support that part of the U.S. policy that is beneficial to Lebanon. As to the harmful part of this policy, I oppose it. This is what I actually did during my month-long visit to the United States last year.

[Question] What do you support, for example?

[Answer] If the United States curbs Israel and dissuades it from pursuing its expansionist ambitions.

[Question] Are you optimistic on this issue?

[Answer] Frankly, there is nothing to evoke optimism so far.

[Question] Do you support participation by the Soviet Union in any solution for Lebanon?

[Answer] We all know that there is a Soviet-U.S. struggle and we all know that monopoly by one country in helping to reach a solution will give the other the justification to obstruct this solution and to prevent the country coming up with the solution from succeeding. Naturally, we look forward positively toward any international relaxation, especially since we cannot endure an international conflict on our land.

[Question] There are several influential sides within the Shi'ite sect particularly and they may have varying viewpoints regarding Lebanese affairs. How will you proceed to unify the Shi'ite viewpoint toward all matters, especially since you are described as the man for calm dialogue?

[Answer] The Shi'ite viewpoint is certainly the same when we all abide by the paper to which we have referred. As for the approach, I can say that there is not in the world one fingerprint that is identical to another. The same goes for the approaches of the Shi'ite sides.

Proceeding on the basis of our country's reality, we should not, after the constant 10-year hardship, resort to the approach that evokes tensions or

actions that lead to reactions. We must seek to save our country without instigation or provocation and through real dialogue. We must realize that when we sit with other parties around the same table, we must stop believing that we can impose our visualization in its entirety on the others. On the contrary, we should engage in dialogue, reach solutions and steer away from the belief that there are those who demand concessions from one faction for another or from one sect for another. Rather, we must exert efforts to make all the concessions in the interest of the entire homeland and in the interest of all the Lebanese.

[Question] Is the visualization of the Chamber of Deputies speaker held by the other political sides in Lebanon?

[Answer] I cannot confirm this. However, I can assert a fundamental fact, namely that the Lebanese people in their entirety demand a solution to the catastrophe. This is what makes us more enthusiastic to reassure all the factions who, it is no secret, have their fears. This fear is not conventional and is not fear for influence or positions but fear for the future and for survival. Therefore, we have no choice but to turn to each other with great love and initiative in order to eliminate any hindrance that causes continued fear in any faction. At the same time, we must steer away from exploiting fear to achieve factional gains at the expense of the others.

[Question] The people are truly afraid for their future and the politicians are afraid of the people. This is why the politicians have become the captives of the positions they have declared. Do you believe that Lebanon can attain a fundamental and practical solution to its problems under the canopy of this ruling crew?

[Answer] A cabinet has been formed of all the factions and it has been called the national unity cabinet, meaning that it includes all those who influence the course of the fighting. This cabinet is entrusted with finding the solutions. Here, we understand that our role as a legislative authority is to insure control over the government primarily and then to give it political support that facilitates solidarity among its members, that makes it more capable of moving ahead with the solution and that frees any of the government factions from the yoke of the war slogans. This requires an understanding of the difference between the war slogans that seek to nurture the fighting and to continue the crisis and the peace slogans that are of a different type. Here, goodwill must be present among all the parties involved. I can assert, through my parliamentary contacts in this brief period of my exercising my duties, that all the parties and factions are fully prepared to offer such support.

[Question] But the reality on the ground is different. The national unity cabinet is in need of somebody to unite its members. Some politicians say that it has become in need of a deterrence force to separate the ministers themselves. The people are actually afraid of a sudden military eruption as a result of the political eruption existing among the ministers. What is the means to overcome this reality?

[Answer] It is no secret that the absence of the legislative authority for a period of time from dealing with the solution helped bring about the condition you are describing. But the restoration of the normal role of the Chamber of Deputies and enabling the Chamber to perform its role, and this is what we have actually begun in practice, is capable of changing the situation, whether at the level of solidarity among the cabinet ministers or the level of enabling the ministers to make difficult decisions.

I do not hold this pessimistic view intimated by the question. I also want to assert that I do not engage in fortune telling and soothsaying insofar as optimism and pessimism are concerned. We all have one option, and one option only, to overcome the catastrophe. We must all exert efforts to achieve this objective because the responsibility is collective and the circumstance is more than extraordinary. Rather, this circumstance is overpowering and we must all put our hands in each other's to lift this heavy burden from our shoulders all at once.

[Question] How does Speaker Husayn al-Husayni view the army's role and what is his opinion of the Sixth Brigade in particular?

[Answer] I don't have in mind any particular brigade of the army. Lebanon cannot survive and cannot achieve stability except as a state with united territories, people and institutions, foremost among which is the military establishment. One of the things that constitute a Lebanese red line is the fragmentation of this army. There is a bitter reality but we must overcome it to secure the presence of a single real army in all of Lebanon, keeping in mind that Lebanon is a country founded on the basis of moderation and justice and that any deviation from this basis is reflected on Lebanon's condition and its stability.

[Question] Minister Nabih Birri has projected the principle of [abolishing] political sectarianism and he still clings to it. How does his excellency the speaker view this issue and how can it be applied practically?

[Answer] I also support the abolition of political sectarianism and realize that the existing political sectarianism came only to weaken the homeland. In 1976, we established the principle of abolishing the difference in the number of Muslim and Christian deputies because we believe that abolishing the difference is a step on the path of abolishing political sectarianism in the reasonable future.

I am one of those who call for abolishing sectarianism in the sectors where it can be abolished immediately and who urge the need to formulate a plan, even if it takes some time, for the gradual abolition of political sectarianism in the sectors where it cannot be abolished directly or in such the abolition of sectarianism produces adverse results for the Lebanese structure.

[Question] Is your excellency for entrenching the sectarianism of the three presidencies [president, prime minister and Chamber of Deputies speaker]?

[Answer] Our constitution contains no entrenchment of this sectarianism. We have a totally different concept on the issue of the sectarianism of the presidencies. I understand that the sectarianism of the presidencies has its causes and that this sectarianism was established to overcome the political sectarianism. In this quick conversation, I do not think that it is beneficial to break up this concept which we developed a long time ago and which has been reaffirmed by the events. But I hope that I will have an opportunity as soon as possible for an interview with AL-HAWADITH specifically to explain this particular point.

[Question] In your capacity as one of the founders of the Amal Movement, how do you view the military alliance existing between the movement and the Progressive Socialist Party?

[Answer] This question can be answered by those who are now responsible for the movement. I am one of the founders of the movement and one of those who participated in formulating its principles and thought under the leadership of His Eminence Imam Musa al-Sadr. But I gave up my responsibility a long time ago.

[Question] Has his excellency the president of the republic familiarized you with his talks with Colonel al-Qadhafi on the disappearance of Imam Musa al-Sadr and his two colleagues?

[Answer] In my first visit to the president of the republic upon his return from Libya, we did not discuss this issue but rather discussed the broad lines of the Lebanese policy, the general conditions and the means to overcome the tribulation in which we are floundering.

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CSO: 4404/120

LEBANON

PUBLIC DEBT INCREASES BY 42 PERCENT

Beirut AN-NAHAR ARAB REPORT & MEMO in English No 32, 17 Dec 84 p 6

[Text]

Lebanon's public debt increased by 42 per cent, from LL21.1bn to LL30bn, from the end of 1983 until November 30th. With commercial banks showing growing reluctance to subscribe to new Treasury bills, much of the increase was in the form of direct borrowing from the Banque du Liban (the central bank). Government borrowing from the central bank shot up from LL5.307bn to LL11.229bn from the end of 1983 to November 30th.

The reluctance of commercial banks to subscribe to Treasury bills at current interest rates — which, at just over 15.5 per cent, are at their highest ever — is spelled out in the following table, which shows subscriptions for six- and 12-month bills down, and only three-month bills marginally up.

Press reports in Beirut said another stimulus to government borrowing were higher prices for fuels and wheat and repayment of maturing Treasury bills. Of the nearly LL12bn of public debt, about eight billion is for ordinary expenditures and LL4bn for reconstruction.

Treasury Bills in August and November, 1984
(Millions of Lebanese pounds)

Type of bill	End-August	End-November	Percentage change
Ordinary			
Three-month	4600.4	4674.8	+ 1.62
Six-month	3308.5	2878.5	-13.00
12-month	7135.7	6462.5	- 9.43
18-month	726.2	726.2	0
24-month	577.4	577.4	0
Total	16348.2	15319.4	- 6.29
Special	3413.3	3480.3	+ 1.96
Grand total	19761.5	18799.7	- 4.87

While, in theory, the government could simply order the central bank to make further loans (within the legal limits prescribed under the Code of Money and Credit) or to buy Treasury bills on its own account, the government is not expected to be that blunt. A number of alternatives are available for financing the government's activities, but all come up hard against the basic fact of the poor political circumstances in the country and the risk of further damaging confidence in the financial system.

The central bank could also revalue its foreign currency holdings against the Lebanese pound. Under current regulations, up to 80 per cent of the difference between the old and new values could be lent to the government. However, this is something of an unknown quantity, since these holdings have recently dropped from the equivalent of LL10.431bn to LL8.693bn, as the government intervened in the market to support the pound. The government could also direct the central bank to print more money. There are clear limits on the amount that could be produced this way before public and banking confidence in the domestic currency collapsed.

An alternative would be for the government to raise the interest on Treasury bills. Although rates are already at an all-time high, the commercial banks in Lebanon are clearly holding back from fresh subscriptions until rates have moved appreciably higher. There is an important element of bluff and counter-bluff in this game since the banks have few, if any, alternative outlets for their huge liquid resources, except speculation. But there is also growing pressure on the government to come up with new funds. The government is clearly concerned that putting up interest rates will simply increase the repayments that will have to be made when subscriptions mature over the following three to six months. Indeed, new subscriptions are already way below current repayments on mature bonds. However, it is difficult to see a way out of this ever-accelerating treadmill and the coming few years will surely see upwardly spiralling interest rates.

The government's handling of its monetary and credit policy has been made infinitely more difficult by the lack of a central board within the Banque du Liban, which formally supervises general financial policy and limits on credit and government borrowing. The board comprises the ministers of finance and economy, the governor of the central bank and his deputies. However, since there have been no deputies since the end of 1983, the board has lacked a quorum and has not met.

LEBANON

PARLIAMENTARY COMMITTEE REVISES BUDGET DOWNWARD

Beirut AN-NAHAR ARAB REPORT & MEMO in English No 32, 17 Dec 84 pp 5-6

[Article by Dr Elie Baroudi]

[Text]

Lebanon's revised draft budget for 1985 was released at the meeting of the parliamentary committee for money and finance on December 4th. The decision to revise the budget downwards had been made earlier in a bid to control the rapid growth in the public debt and as part of a series of measures taken in the hope of controlling the downward slide in the exchange value of the Lebanese pound against the dollar.

Total expenditure under the 1985 draft budget is expected to reach 10.892bn Lebanese pounds, or LL5mn less than the 1984 budget. Given the rate of inflation and Lebanon's rising needs for development and reconstruction spending, this cut in the budget, although small, represents an unprecedented austerity move.

When the figures are broken down by 'Chapter', or main category, it is apparent that the retrenchment in the 1985 budget is mainly in allocations for development projects, which dropped from LL1.845bn in 1984 to LL380mn under the 1985 budget, or by nearly 80 per cent. Allocations for medium-term equipment expenditures also dropped, by 16.5 per cent, from LL1.845bn to LL1.54bn, while allocations for recurrent expenditures increased to LL8.972bn under the 1985 budget, or by LL1.679bn above the 1984 level.

In other words, faced with the urgent need to limit or reduce public spending, the government has chosen to cut down development expenditure in order to finance rising recurrent spending, which is made up mainly of wages and salaries of government employees. In this context, however, it should be noted that many development projects were postponed in 1984 because of the poor political and security situation in the country. Accordingly, although final figures are not yet available, it is safe to say that actual medium- and long-term development

expenditure during 1984 was much less than allocations for these purposes under the 1984 budget.

The bulk of budgeted expenditures under the 1985 draft budget, or nearly 26 per cent, are earmarked for the "repayment of loans", meaning interest payments on the public debt. Allocations for this purpose were increased to LL2.812bn under the 1985 budget, or by a massive 85 per cent, and this because of the growth of the public debt and the relatively rapid rise in the interest rate on Treasury bills. The budget does not include allocations for principal repayment.

Defence spending, which in 1983 and 1984, contributed in large part to the rapid growth in the public debt, is allocated LL2.348bn under the 1985 draft budget, or 21.6 per cent of total allocations. In absolute terms, defence spending is raised by 15.6 per cent in the 1985 allocations, which is significantly less than the 33 per cent increase under the 1984 budget.

**Budgeted Expenditures for 1985, with
Comparative Figures for 1984**

(LL billion)	1985	1984
Recurrent expenditures	8.972	7.293
Medium-term equipment expenditures	1.540	1.759
Long-term development expenditures	0.380	1.845
Totals	10.892	10.897

**Budgeted Expenditures by Ministry or
Type of Spending**

Ministry, or type of spending	Budgeted Exp/tures	Percentage of Total
Repayment of loans	2.812	25.8
Ministry of Defence	2.348	21.6
Ministry of Education	1.638	15.0
Budget reserves	0.763	7.0
Ministry of Public Works	0.728	6.7
Ministry of Interior	0.726	6.7
Other	1.877	17.2
Totals	10.892	100.0

Defence spending, which in 1983 and 1984, contributed in large part to the rapid growth in the public debt, is allocated LL2.348bn under the 1985 draft budget, or 21.6 per cent of total allocations. In absolute terms, defence spending is raised by 15.6 per

cent in the 1985 allocations, which is significantly less than the 33 per cent increase under the 1984 budget.

Education receives the third largest share of budgetary allocations or some LL1.64bn, which will go mainly to the rehabilitation and expansion of schools in various parts of Lebanon.

Ordinary government revenue under the 1985 budget is projected at LL8.217bn, or nearly 17 per cent above the LL7.832bn in revenue projected under the 1984 budget. Revenue projects for 1985 are based on the optimistic view of a general improvement in the security of the country which would make possible the better collection of taxes and duties. Customs duties can be expected to rise now that the government has gone some way to restore its authority over the formerly "illegal" ports.

Even so, the deficit in the 1985 budget is projected at around LL2.675bn, or some 25 per cent of total allocations. This, however, is an improvement on the 1984 deficit, which was projected at LL3.865bn, or nearly 35 per cent of total allocations for that year.

Lebanon's public debt reached an estimated LL30bn by the end of November 1984, which by any measure is near to the red line. Accordingly, it is vital that the actual budget deficit for 1985 be kept at a minimum. Whether this can be achieved, however, will depend on the government's ability to collect projected revenue and, thus, on the extent to which normality can be restored to the country.

CSO: 4400/58

LEBANON

AL-HUSAYNI ROLE IN PARLIAMENT DISCUSSED

Paris AL-MUSTAQBAL in Arabic No 401, 27 Oct 84 p 15

[Article by Ibrahim Salamah]

[Text] Husayn al-Husayni, in the Lebanese parliament, is not a number or a vote. He has been something else since the day after he was elected in the 1972 elections.

He won on the Ba'labakk ticket which was led by the late Sabri Hamadah. After a few days, it became clear to everybody that Mr Husayn was not "on the ticket" of Sabri Bey, nor was he an auxiliary part to Joseph Skaf of Zahle, his rival at times and his adversary at others.

Even with Sulayman Franjiyyah, Mr Husayn could not be one of the group, in spite of the warm friendship that continued to bring the two men together until just before the war broke out--that is, in 1975.

The man used to express his pleasure with the virility and integrity of Raymond Iddih's vision in Sulayman Franjiyyah's council. He used to praise Joseph Skaf's characteristics and generosity whenever he met with Sabri Bey for dinner or lunch, and vice versa.

Kamal al-As'ad alone was the exception in his relations with the gentleman, and it was an episode in the chamber of deputies that would be a disgrace to recall here.

When Musa al-Sadr emerged in Lebanon, al-Husayni was in the forefront of the faithful and of those who proclaimed him. When "Amal" flourished after al-Sadr's disappearance, Mr Husayn withdrew and secluded himself in his humble home in the area of al-Dowhah.

They honoured him with rockets--he once showed me their marks during one of my visits to Beirut, but he did not say who did it, though the "market of perpetrators" in Lebanon was flourishing, and still is.

Amal, Kamal al-As'ad, and the Lebanese Front became angry with him after he was included in a "decree of exclusion" because he voted for Raymond Iddih in the 1976 presidential election, and not for Ilyas Sarkis, as dictated by the political game at the time.

Thus, the man is Lebanese and as independent as can be under Lebanon's circumstances and the complexities of the region.

Thus, his election as speaker of the chamber of deputies carried two implications at the same time:

The first implication is that the Shi'ite mandate is still spread around and is not the sole property of one group.

The second implication: that this parliament, the sole surviving legacy of the nation after 10 years of war, had known whom to choose . . . and more. It has restored its self respect by electing Mr al-Husayni, who is neither an Irani, nor an Afghani, nor a Turkoman; rather he is a man from the Lebanese Biqa' who believed in and defended and made sacrifices on behalf of preserving the borders and sovereignty of Lebanon.

12547

CSO 4404/96

LEBANON

BIRRI: GOVERNMENT UNITED ON RESISTANCE TO ISRAEL

Paris AL-MUSTAQBAL in Arabic No 401, 27 Oct 84 pp 28, 29

[Interview with Nabih Birri: "We will Take Acts of Resistance Into the Heart of Israel If It Does Not Withdraw From Lebanon," by "Imad Jawdiyyah in Beirut; date not specified.]

[Text] Israel is in a real fix because of its continuing occupation of three-quarters of Lebanon's territory. Its forces have completely failed, according to statements made by its officials, to curb the rising military pressure against them in the south, the western Biqa', and Rashayya, or to pacify the population in these regions, in spite of all that they have done in the way of violence, suppression, isolation, blockades, acts of assassination, removal, forced emigration, and economic restrictions. This situation has made the leaders of the Israeli enemy think seriously about the matter of withdrawing from the occupied areas of Lebanon, and that was reinforced by military developments in the South, the western Biqa', and Rashayya with respect to the increase in operations by the Lebanese national resistance and their attainment of a very advanced level which gets by anything the Israeli intelligence mind is able to come up with to change the situation. This stage has demonstrated with absolute clarity that any effort by Tel Aviv to find another solution short of complete withdrawal from Lebanon is doomed to failure, and as a result there are more attacks against the Zionist occupation and it gets more confused.

Israel is accustomed to blitzkrieg wars which settle things in just a few days, and it is essentially not used to a war of attrition, which is fatal to it. Therefore, one can be sure that the Israelis no longer have a choice other than withdrawal.

The Lebanese minister of state for southern affairs, Attorney Nabih Birri, on the basis of the high political position which he holds on the Lebanese scene as head of the Amal movement, which along with the Lebanese government is directly concerned with everything that goes on in the occupied areas, talked to AL-MUSTAQBAL about the information available to him on the Israeli withdrawal from Lebanon. Here is the interview with him.

[Question] Following your return from New York, you announced that the Israeli withdrawal from Lebanon was imminent, in light of the information you

had on the subject, but what is evident in the occupied regions of Lebanon does not indicate that there is any intention at all for withdrawing.

[Answer] What the Israeli occupation forces are doing in the southern regions, the western Biqa', and Rashayya, does not suggest a withdrawal, but these forces are in fact no longer able to remain in Lebanon, because, first of all, they have failed to achieve the "security of Galilee" for which they claim to have invaded Lebanon, and secondly because they have been unable to curb or strike at the Lebanese national resistance which daily inflicts on them one defeat after another, which has thrown them into a state of confusion. Fear has gripped the hearts of their members, who have begun to run away from military service and from service in Lebanon. In addition, there is of course the deterioration of the economic situation in the Zionist entity as a result of the huge expenditures of the Israeli army in Lebanon and the losses which are inflicted on it daily.

All these circumstances confirm beyond a doubt that Israel is about to withdraw from Lebanon, because its continuing occupation of three-fourths of its territory has begun to threaten to destroy its internal structure, following escalating Zionist popular resentment against the enemy government demanding that it withdraw immediately from Lebanon.

[Question] But information available so far confirms that the Tel Aviv government is perhaps preparing to carry out a partial withdrawal as far as the Zahrani or the Litani.

[Answer] Perhaps the enemy government intends to carry out a partial withdrawal as far as the Zahrani or the Litani, but we have announced openly and said that any partial withdrawal by the Israeli occupation forces will not alleviate strikes against them by the Lebanese national resistance. We have also said that the popular agitation by our steadfast masses in the south, the Biqa', and Rashayya will not stop, but will continue with violence against the Israeli occupation. From my leadership and official position, I warn Israel against remaining in Lebanon, because we will escalate our military operations against its forces and agents, and any partial withdrawal which it might carry out will not do Israel any good, because our resistance against its occupation will continue to pursue its soldiers until liberation and victory. And we will make our military operations, and especially suicide missions, reach the heart of Israel.

[Question] Some circles fear that following any sudden Israeli withdrawal there will be a sectarian uprising brought on by the occupation forces, similar to what happened in the mountains.

[Answer] I assure you that the Lebanese in the occupied areas are aware of the matter, and they are above allowing Israel to drag them into such incidents. Our people in the occupied regions belong to all sects and are as yet unsullied by the stain of sectarianism and its filth. I am convinced and completely confident that our people will thwart Israel's plans for the south, the western Biqa', and Rashayya, in spite of everything that it does through its agents to sow the seeds of dissension in the occupied regions of Lebanon.

[Question] Don't you think that Israel's aim following the start of any partial withdrawal might be to put pressure on the Lebanese government to foul up the course of the security plan which it is engineering and thus to force it to enter into direct negotiations to arrive at security arrangements with it.

[Answer] For our part we have announced that we refuse to enter into any direct negotiations, military or otherwise, with Israel. We then announced our rejection of any security arrangements because we still persist in adhering to the truce agreement. The leaders of the Israeli enemy must realize that they must choose only one of two things: either to withdraw completely and immediately from our pure land, or to remain in Lebanon and endure the problems of occupation.

But if Israel is working to obstruct the security course being taken by the government or is trying to confuse the internal situation, it will not succeed, because we are all determined to stop the fighting and resume rational dialogue with one another in order to arrive at building a strong nation that will be for all its people without discrimination or distinction. Consequently, even if those of us in the government are in disagreement over some issues, and that is natural, we are in agreement on one principle, and that is liberation and confronting the Israeli occupation.

[Question] Many observers expected that the international Security Council would strengthen the role of the emergency forces operating in occupied southern Lebanon when it voted on the resolution to renew them, but that did not happen. So how can these forces carry out the role that is expected of them when they do not have enough men or the necessary equipment to expand the area they cover?

[Answer] We indeed look to the international emergency forces to play a big role in occupied southern Lebanon, therefore during our latest visit to New York with Prime Minister Karami we tried to get the United Nations Organization to strengthen the role of these forces in Lebanon. For this purpose, we held [talks] with the Secretary General Mr De Cuellar, and with representatives of the nations participating in the emergency forces on increasing their military participation in the emergency forces so that these forces would be able to carry out the task for which they came to the south, which is to keep the peace there and to help to restore Lebanese government control. We have learned from the leaders of the emergency forces with whom we met after their renewal that the international forces, with their present capabilities, would automatically be ready to assume the role demanded of them, along with forces of the Lebanese government, from the army and internal security, as soon as Israel withdraws from any occupied Lebanese region, in the south or anywhere else.

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LEBANON

LEBANESE FORCES UNABLE TO LEAVE IQLIM AL-KHARRUB

Paris AL-MUSTAQBAL in Arabic No 401, 27 Oct 84 p 14

[Article: "Israel is Preventing the Lebanese Forces from Withdrawing from al--Kharrub"]

[Text] The Israeli occupation forces have recently begun to take a series of steps, setting up a sea blockade along the length of the coast between Beirut and Sidon, from the Awwali river to the town of al-Damur. The aim of these steps was to keep armed groups belonging to the Christian Lebanese Forces from withdrawing from the Iqlim al-Kharrub region. The Lebanese Forces command had decided to withdraw militarily from Iqlim al-Kharrub as a result of a series of shifts and changes in political positions which had begun to appear on the Lebanese scene ever since the president of the republic, Amin al-Jumayyil, began in practice to get the decisions of the Christian position to favour Syria's stand against Israel's positions and policy in Lebanon. There were two basic considerations which forced the Lebanese Forces command, and then the pertinent Christian commands, to make the decision to withdraw from al-Iqlim.

First: To avoid risking any Israeli reaction to this change in the Christian position, especially in President Amin al-Jumayyil and the Phalangist party, which would threaten the Christians, both armed and civilian, with having to pay the price once again of these positions in that area.

Second: To avoid new confrontations with heavy losses between these Christian forces and the Druze forces belonging to the Progressive Socialist party in that region, and consequently to end any pretext saying that the Lebanese Forces had had a part in impeding the implementation of the security plan laid down by the government for the mountain region, and the opening of the coastal highway between Beirut and Sidon. During a televised news conference with Minister Nabih Birri, the leader of the Amal movement wondered about the reasons which made Israel prevent the Lebanese Forces from withdrawing from Iqlim al-Kharrub.

The answer being circulated in Lebanese circles says that Israel is trying, by force if it has to, to keep the military situation in Iqlim al-Kharrub as it is to use as a card for pressuring the Lebanese government by threatening the Christians, in addition to the fact that it wants to maintain the

situation in al-Kharrub as a time bomb with which it will try to rekindle the sectarian war once again in this region which lies on the borders of the southern region.

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LEBANON

SHAYKH FADLALLAH DISCUSSES RELIGIOUS STRIFE, FOREIGN INTERVENTION

London AL-TADAMUN in Arabic No 87, 8 Dec 84 pp 23-24

/Interview with Shaykh Muhammad Husayn Fadlallah, Shi'ite leader, by Amal Yusuf: "Shaykh Fadlallah to AL-TADAMUN: Al-Asad Supports al-Naqurah Negotiations To Give Lebanon Chance To Try Its Luck With Israel"; date and place not specified

/Text Beirut--Since Hizballah /God's Party announced it was responsible for blowing up the barracks of the U.S. Marines and the French paratroopers in Beirut's suburbs last year, the world press has focused its lights on Shaykh Muhammad Husayn Fadlallah on the grounds that he is this party's chairman and spiritual leader even though Shaykh Fadlallah has denied this in more than one interview, though he admits that he knows the party chairman and has a connection with its leadership.

One of the qualities of the scholarly shaykh is that he is one of the most enthusiastic Shi'ite advocates of renouncing sectarian jingoism and of strengthening the bond of Islamic unity. He has biting criticism against the excesses that occur in Beirut and that affect some of its Sunni inhabitants.

AL-TADAMUN has had the following interview with Shaykh Fadlallah:

/Question You have visited Damascus and met with Syrian President Hafiz al-Asad. What has he told you regarding Lebanon's future?

/Answer The fact is that I did not discuss this issue with him directly or in detail. But I talked with him about the Israeli position in Lebanon, including the Israeli occupation and domination, and the political and economic situation in Lebanon which is embodied in the political alliances that are entrenching their relations with the sects and with some of the country's political establishments. In my discussion with the president, I focused on our past rejection of the 17 May 1983 accord and our rejection of the current negotiations on the grounds that they represent a form of recognition of the Israeli presence in Lebanon through the security arrangements. President al-Asad was in total harmony with what I said on this issue. We also discussed the need to establish balance between the Muslims and Christians to avert any political flaw in Lebanon because we believe that the sectarian domination existing in Lebanon can create for us /problems similar to/ the problem that

has existed in the past 10 years and which has claimed many victims. Therefore, we believe that the presence of a balanced regime in this country will make all the citizens feel that the regime belongs to them and not to any single faction and that there is no discrimination at the level of services. This will realize for Lebanon stability and the continuation of this coexistence between the Muslims and the Christians.

President Hafiz al-Asad emphasized this point in a fundamental manner. I also felt his strong interest in preventing a security eruption, especially in Beirut. I asked him to intervene with all his strength to stop some factions that try to detonate the Lebanese arena, especially Beirut, in order to underline political or propaganda positions. We noticed in the discussion with the president that he is interested in the future of Lebanon on the basis that Lebanon constitutes an important position for Syria, especially in terms of Syria's security and policy.

/Question/ Did President al-Asad express understanding toward your rejection of the negotiations despite Syria's position of obvious support for them?

/Answer/ It seems from the president's statements that his support for the negotiations is in harmony with the position of Lebanon, which has wished to try its luck with Israel. This support is not based on the belief that these negotiations are the only means through which positive results can be achieved on the issue of liberating the south.

The Syrian president believes that Israel is trying to manipulate numerous political circumstances to achieve political and security gains. We believe that Israel is trying to play the game of acceptance of peace and of calling for peace and negotiations in order to underline its image as a peaceful state in world public opinion. It puts obstacles in the path of peace while trying to insinuate that the others block peace so that it may emerge before the world as the victimized country fearing for its security. It thus makes an advance political step toward its future schemes.

/Question/ You met with Shaykh Sa'id Sha'ban, the head of the Unification Movement, during the visit he made to Beirut. At the time, reports were leaked to the effect that disagreement in viewpoints surfaced when the issue of establishing a grouping encompassing all the Islamic movements in the Lebanese arena was discussed. Is what was leaked at the time true?

/Answer/ The truth is that there is no disagreement in viewpoints on the idea of projecting Islam to the people the way they feel it should be projected. Islam is not just a sectarian box like the other sectarian boxes. Rather, Islam represents an intellectual method of life which the others can discuss the way they discuss the other intellectual methods that comprise lines of action, lines of legislation and lines of movement in life. In this respect, there is no disagreement whatsoever between us. There is disagreement on some of the means or some of the instruments to crystallize the idea. I believe that there are objective conditions that prevent transforming Lebanon into an Islamic country. One of these conditions is the conviction of the people who live in this country regarding this method because no people can be ruled by

force and no idea can be imposed on them coercively. We believe that the way to achieve results is persuasion with all means, as the Marxist thought and others do. The advocate of an idea must not project directly his idea in arenas that need preparation. It is essential that the minds of the Muslims and the Christians be open to this thought. Let us begin with dialogue on it because Islam is living in a climate of fanaticism and of sectarianism and oneupmanship, exactly as Christianity used to do. I feel that there will be no problem when the dialogue begins and when the Muslims and the Christians realize that there is more than one issue on which they meet at the moral level. At the level of the Islamic movements, there is a degree of unity on the ground in more than one aspect. As for unity in the acknowledged technical sense, i.e. political unity, its prerequisites and conditions do not exist yet.

/Question/ Was Shaykh Sha'ban's visit for the purpose of forming an Islamic front?

/Answer/ No, it was a visit to Beirut to explore the atmosphere because he had heard that there was disagreement between the Sunna and the Shi'a which could develop into a difficult case. However, he found out that these are mere rumors. It is true that there are sensitivities and problems but they have not reached the point of danger yet. Sectarianism is a reality but for this reality to turn into a complex, then this is serious. Islam is like the other concepts. We notice, for example, that Marxism in China is understood differently and that some of its characteristics are different from Marxism in the Soviet Union. Some of the characteristics of Marxism in Europe differ from those of Marxism in the Soviet Union.

The difference of sects is not a problem. The problem lies in exploiting sectarianism to erect barriers between the Muslims so that we may separate them from each other psychologically, politically and socially. In a lecture I delivered at the al-Maqasid Association, I called for mixed societies, i.e. for marriages between the Sunni and the Shi'i so that they may discover the spheres of agreement between them. The /current/ situation has not emanated from the presence of sectarian differences but from the exploitation of sectarianism by some political leaders to achieve their aspiration to divide the people. Sectarian rancors did not exist in the past. Sunni Muslims are present in al-Silm Quarter and in Burj al-Barajinah and the Shi'ites are present in Beirut and the two sides coexist without any problem. But the political game has sought to create in society a problem of Sunni and Shi'i. So how does it go about creating it?

After 6 February and as a result of the armed Shi'ite presence, through the Amal Movement and through Hizballah, and of the armed Druze presence, the Sunna began to feel weak, considering that they have no armed organization, because of the flaw in the balance. Since then, this imbalance has been manipulated.

/Question/ There is a general impression that you are the spiritual leader of Hizballah, despite your denial and your statement that there is no organizational relationship that binds you to this party?

/Answer/ From the outset, I have not worked and I will not work with anybody in an organizational form. However, this impression emanates from the fact that most of the youth, not only the youth in Hizballah and in the Amal Movement but also the unaffiliated youth, have grown up with my lectures and have been influenced by the atmosphere I create. If I were operating organizationally, why would I deny it?

I operate in the general Islamic arena, trying to criticize, warn and intervene in some cases, whether in Amal, in Hizballah or in the other parties. I operate not only at the level of Lebanon and the Islamic arena. I also have relations with Muslim students in Europe, India and the United States.

/Question/ What about your recent meeting with representatives of the Lebanese Communist Party?

/Answer/ The meeting was held at their request to talk to me about some negative acts committed by a number of faithful who work in the arena against the Lebanese Communist Party. The dialogue was frank. I expressed some observations on their method of work and we talked about some common problems in the arena and about some issues that may be viewed as common, even if temporarily.

/Question/ Some accuse you of violence and radicalism and others describe you as a flexible man who is in favor of dialogue. What is your comment?

/Answer/ I am not a radical. I am a committed man and a man of thought. Radicalism is for a man to exceed natural and civilized means in an attempt to crystallize a thought. I believe in the prophet's words "God is gentle and loves gentleness and He gives in gentleness what He does not give in violence."

I believe that man must win friends over to his thought and his causes. This can only be done with persuasion, not with pressure. We do not believe in violence as a principle and we liken violence to a surgery. But it is not natural for one to wish somebody peace when this somebody is directing a bullet at his heart or trying to crush him.

/Question/ You have strongly criticized the loss of security in Beirut. Are there practical steps to solve this problem?

/Answer/ We have tried to pressure the parties we can pressure. I believe that the loss of security is subject to the premeditated political scheme and the scheme for sedition in Lebanon. Nobody can solve it. It is difficult to talk about solving the problem of West Beirut in isolation from the problem of Lebanon as a whole. The loss of security is not a normal condition generated by the Lebanese sedition but a condition emanating from a political decision made by those who created the Lebanese sedition.

/Question/ You call for boycotting the United States when Lebanon is a consuming country. Can Lebanon respond to this call under this circumstance?

/Answer/ The fact is that I have not called for a total boycott of the United States because Lebanon cannot boycott the major powers that have the industry.

I call for boycotting the United States economically. Instead of shouting a thousand times "death to America," let us stop smoking American cigarettes. Instead of importing American goods, let us import European goods. It is true that Europe agrees with the United States but the United States is now the biggest and strongest ally of Israel. My purpose behind the boycott is to develop a popular condition, i.e. to have the people express their rejection of all the forces that put pressure on them by boycotting these forces where it hurts them because our /present/ method of confrontation is villification, vituperation or the blowing up of embassies. I believe that this may create a negative morale condition in the United States or elsewhere. But boycotting the United States economically causes it greater harm.

/Question/ You have mentioned recently that the international red lines obstruct any movement to solve the Lebanese crisis. What do you mean by the red lines?

/Answer/ From my watching the developments of international politics, I have noticed that the Lebanese sedition was born on the peripheries of the Palestinian problem. Consequently, this crisis is intended to be a pressuring card within the framework of the Palestinian problem. We have also noticed that the Lebanese sedition did not end with the departure of the Palestinians, as a military and a political force, from Beirut. This is why several cards continue to be held by the international camps which can play their cards in Lebanon. For example, one of the issues existing at the Israeli and international levels is the issue of the Israeli occupation of Lebanon. We do not expect this occupation to end quickly. The reason is that Israel does not want to stay in Lebanon. It recognizes Lebanon's international borders but it is occupying the south so that it may be a pressuring card for absorbing and then annexing the West Bank and Gaza to Israel. As for the United States, the initiative it has presented needs the Lebanese card in order to exert pressure on Syria so as to involve it in the U.S. solution. Thus, we find that Lebanon is an arena that is still likely to touch off more than one issue in the interest of the U.S. and Israeli solutions. I believe that the Israelis and Americans will not let go of any card that achieves for them strategic or tactical political gains. The security plan and the negotiations are not the other face of the solution because the solution is being concocted behind the scenes. The plan and the negotiations are only intended to preoccupy the people and to make them imagine that something will be achieved so that the people may not reach the phase of fatal despair that motivates them to destroy the equations.

The cabinet is for managing, but no solving, the crisis and the negotiations are not the means for the withdrawal. These negotiations are a superficial production covering the secret negotiations going on at more than one level.

/Question/ How do you assess the Soviet role in terms of support for the Lebanese issue and the Middle East issues?

/Answer/ Insofar as the Soviets are concerned, we appreciate the general slogans they raise for the liberation of peoples. But we believe that the role of the Soviet Union as a superpower does not proceed in its support for the people's causes from an intellectual basis. This means that the Soviet Union

is prepared to lose on this account. Intellectual and principled positions motivate one to sacrifice for his thought. The Soviet Union is not prepared to sacrifice any of its positions or to make any political or military sacrifices for any people. The Soviets believe that their strength as a superpower comes first and then follow the people's causes, depending on how strongly these causes are tied to the Soviet plan in this regard.

Naturally, the Soviet method of movement differs from that of the United States because the Soviet system is different from the U.S. system. But the Soviet system meets with the U.S. system in that it moves within the framework of the game of interests which governs the position of the Soviets as a superpower.

The Soviet Union does not do the Arab countries or any other people a favor when it supports them but rather achieves some gains for itself. We do not agree with those who try to depict the Soviet Union as the savior of peoples because the Soviet Union, like the United States, is a superpower. But the Soviet tendencies are closer to those of the peoples and its policy is closer to the policy of the peoples than is the U.S. policy.

But the Soviet movements have the background of the superpower moving for its own interest. This is what we notice in the Soviet movement concerning the Palestinian cause. The Soviet Union moves to a certain limit and in the manner its interests permit so that it may not lose the Arab card or any of the cards it holds in this regard.

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LEBANON

EFFORTS TO RESCUE AIRLINE INDUSTRY EXAMINED

London AL-TADAMUN in Arabic No 87, 8 Dec 84 p 35

/Article by Ibrahim 'Awadah: "After Repeated Abortive Attempts, Cooperation Agreement Between Two Airlines Subsidized by Government With 125 Million Pounds"/

/Text/ Beirut--After prolonged negotiations throughout 2 full years, it was recently announced that the first cooperation agreement of its kind has been concluded between Middle East Airlines and T.M.I. /Trans-Mediterranean Airlines/. The agreement provides for setting up a holding company in which Middle East Airlines owns 90 percent and T.M.I. 10 percent. This company will oversee the air transport policy of the two companies and will draft the recommendations needed to boost their activity, provided that each of the two said companies maintain its complete independence insofar as personnel, pilots and acquired operating lines are concerned.

Though this agreement, born after hard labor, has come to declare or, at least, to postpone the idea of full merger between the two companies and even though it is considered an ordinary cooperation agreement between two companies, it has exceeded this concept to turn into an econopolitical problem which is capable, if not contained, of leading to the obstruction of this agreement before it is actually born, i.e. before it is put into implementation at the outset of 1985.

It is well known that the two Lebanese airlines have been facing for a long time financial and economic problems emanating primarily from the troubled political and security conditions since 1975. These conditions have had their impact on the activity and operations of the Lebanese airlines industry, causing both companies to incur vast direct and indirect losses and damage. Since the start of the war and up to date, Middle East has lost nearly 800 million pounds (some losses resulting from the destruction of a part of the company's fleet and other losses emanating from the decline of activity due to the closure of Beirut Airport for long periods of time). T.M.I. total losses have amounted to nearly 200 million pounds as a result of this company's loss of a number of its main lines and of the difficulty of operating from Beirut International Airport due to security reasons.

This poor position by both companies has led to creating serious difficulties for them in terms of securing continued work for all their employees, numbering 5,500 employees, including 4,500 in Middle East and 1,000 in T.M.I. This has forced the two companies to reduce the wages by a large degree and to threaten the dismissal of a number of workers, thus urging the state to seek means to save the Lebanese airline industry, which has actually faced since the start of the Israeli invasion of Lebanon the danger of bankruptcy and halting operations despite the financial (property and cash reserves) and moral resources enjoyed by Middle East Airline--resources that have enabled it to stand fast in the face of the dangers facing it, but not forever. One of the options reached by the regime within the context of the efforts of the regime's agencies to save the two companies was embodied in the proposal made by Dr Muhammad 'Atallah, the former chairman of the Development and Reconstruction Board, in 1983. This proposal called for a full merger between the two Lebanese airline companies as a fundamental condition for reserve, especially since the policy of supplying them with loans had proven its failure.

Since that date, the discussion began on crystallizing the principle of merger between the two companies. But this projection was postponed as a result of strong opposition expressed by Middle East due to numerous financial and technical considerations. In the face of the strong opposition to the merger idea, the government began to look for alternative solutions. Roger Tamraz, the chairman of the Intra Investment Firm which owns 62 percent of the Middle East shares (the actual owner is the Lebanese Government), suggested the idea of selling Middle East but this idea was also faced with strong opposition. Tamraz then moved in another direction and managed to convince the government of the idea of establishing mutual cooperation between the two airlines as a step, in the hope of establishing a full merger at a later time.

At the same time that a plan of cooperation calling for the establishment of a holding company to oversee maritime transport policy in Lebanon received the support of the officials of the two companies concerned and the blessing of the government, which has undertaken to support the new company, this plan was received with strong political and partisan opposition and opposition from the Arab and foreign partners in Middle East Airlines (the French Government, which owns 28 percent of the Lebanese company's stock) and in Intra (the State of Kuwait and the Kuwait National Bank, which own 12 percent of Intra stock).

Regardless of the arguments of the opponents and supporters of the cooperation agreement between the Middle East and T.M.I. companies and in view of the economic and social reality, this cooperation plan harbors within its folds a number of negative and positive features.

Regarding the negative features, the following can be underlined:

First, the flagrant inequality between the two new partners in terms of activity volume nature of activity and capital makes the partnership unequal and this inequality will inevitably have its negative consequences for the stronger company, i.e. Middle East Airlines which owns 19 of the latest airliners and whose assets have been estimated at 200 million pounds and its annual budget at 1.5 billion pounds and which employs nearly 5,400 employees whereas the

other partner, i.e. T.M.I., own 7 old aircraft mortgaged mostly to others and threatened with being banned from operating in the United States by the end of this year and in Europe by the end of 1987. Moreover, the value of this company's assets does not exceed 50 million pounds and the company employs no more than 800 workers at present.

Second, Middle East Airlines is a joint-stock company in which the state is involved as the biggest stock owner through the Intra Investment Firm (62 percent of the stock). The French Government owns 28 percent of the stock. This makes Middle East Airlines a guaranteed company and one enjoying international confidence through its guaranteed shareholders, its operational activity and its stable relations with its employees whereas T.M.I. is a private company owned mostly by Munir Abu Haydar and his family.

Third, the loan which the government has decided to advance to the new holding company and which is set at 125 million pounds is not for the purpose of modernizing the fleet of either company, considering that this loan cannot cover the price of three new aircraft. This opens the door for speculation that there is a plan to reduce the labor volume, at least in T.M.I. This nullifies the usefulness of setting up the holding company because it will not secure continued work for T.M.I. employees.

As for the positive features, the most important are:

First, the Lebanese airline industry has reached an advanced state of deterioration which poses an immediate threat to this industry, especially in the wake of failure of the palliative solutions, such as the loans advanced to this industry by the government. This threat has necessitated a special and practical movement to tackle the crisis, such as the cooperation agreement, provided that this agreement guarantee continued work for most of those employed in this sector, considering that most of those employed by T.M.I. (nearly 500 workers) are faced with the threat of dismissal.

Second, this joint cooperation is likely to reduce the unnecessary and wasteful expenses of the two companies and may lead to streamlining the two companies' general policy through the directions which will be established by the holding company that will assume the responsibility of formulating this policy.

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LEBANON

BRIEFS

ABU NADIR CALLED BY DAMASCUS--Has Damascus sent an invitation to the new commander of the Lebanese Forces, Fu'ad Abu Nadir, to visit it and meet with senior officials there? Informed political sources believe that the Syrian comment made through the Syrian media welcoming the election of a new face which supports the moderate line within the Phalangist party is a "positive indication" of the Syrian capital's desire to open a new page with the Lebanese Forces. It should be mentioned that communications between Damascus and al-Ashrafiyyah have not been severed, and that mutual friends and some of the Forces' staffs not far from Syria have worked to keep relations with Damascus from being cut. Political personalities friendly to Syria encouraged it to continue a policy of openness towards the Christian faction in order to strengthen the moderate wing in it, and to force the extremist faction to move away from Israel, especially after the tensions which arose between them following the incidents in the mountains. On the other side: a source close to the Lebanese Forces has discovered that after the completion of an operation to "put in order the internal affairs of the house" (new appointments and changes in sensitive leadership positions), the new commander intends to launch an initiative aimed at straightening up the Christian ranks as a first step towards unifying their political positions, on condition that that is accompanied by a military mobilization campaign. The new initiative is supported by the Phalangist party and has official blessing, which is seen as an essential mainstay for strengthening its position during the upcoming negotiations on the political future of Lebanon and the reforms demanded by the Islamic faction and the opposition. [Text] [Paris AL-MUSTAQBAL in Arabic No 401, 27 Oct 84 pp 14, 15] 12547

SECURITY PLAN PROSPECTS--Well-informed Lebanese sources have assured AL-TADAMUN that the regime is preparing to implement a security plan in Beirut that calls for handing over to the army the task of security in Beirut, along the coastal highway from Tripoli to al-Awwali River and in al-Kharrub District. The sources have reaffirmed that the regime intends to implement this plan prior to celebrating the Lebanese independence anniversary so that the plan and its implementation may be tantamount to the regime's gift to all the Lebanese on this occasion and so as to spread a climate of confidence in the hearts of the Lebanese. [Text] [London AL-TADAMUN No 85, 24 Nov 84 p 5] 8494

IMPROVEMENT IN CUSTOMS REVENUES--Dr 'Isam Haydar, the chairman of the Higher Customs Council, expects the treasury revenues from customs fees to witness considerable improvement as of the coming month of December as a direct result of the decision to close the illegal ports. Dr Haydar believes that these revenues may amount to 3.5-4 billion pounds annually, thus helping by a large degree in covering the major part of the public treasury deficit for 1985, considering that the outcome of these revenues did not exceed 600 million Lebanese pounds in 1983 because of the activity of the illegal ports. /Text/
/London AL-TADAMUN in Arabic No 87, 8 Dec 84 p 34/ 8494

CSO: 4404/130

SYRIA

OIL MINISTER INTERVIEWED ON DAYR AL-ZAWR DISCOVERY

Beirut AN-NAHAR ARAB REPORT & MEMO in English No 32, 17 Dec 84 pp 9-10

[Text]

Could you tell us about the recent oil discovery in the Deir el-Zor area?

What has been written up to now has been a great exaggeration. There was an oil discovery in the southern Deir el-Zor area of light, sulphur-free crude. This is new for Syria. The quantities and estimates of reserves are still being assessed, so we don't yet have precise figures. I can tell you that commercial exploitation of the area will not get under way for at least two years. Any figures I gave you know would not be precise.

We understand that Syria has already decided to build a pipeline link from this new production area to the Iraqi pipeline that runs across Syria to Tartous, but which is currently closed. Is this so?

This link is, indeed, being constructed, but it is for the transport of gas from the fields at Al-Jbesse to the urea plant at Homs. This is being built by a Czechoslovak company. They are putting in a 16-inch gasline between the third and fourth stations. The contract was signed only recently.

What is Syria's current oil output?

We are producing around nine million tonnes a year and exporting about five million tonnes.

How much do you refine in your domestic refineries, at Homs and Banias?

The capacity of Homs is some five million tonnes a year, and that at Banias is six million tonnes a year.

What were Syria's oil revenues last year?

About \$900mn.

Syria's closing the Iraqi oil pipeline was referred to a judicial committee of OAPEC: what has happened?

As you say, it has been put to a judicial committee. However, this committee is empowered only to adjudicate contractual disputes. But this dispute is not over a contractual text. It is not a legal dispute to be studied by this OAPEC committee. It is a political decision and was taken when Syria was facing

threats to its security. This is a matter of sovereign rights.

You suggested at the OAPEC meeting that the contributions of member-states to the budget should be decided on the wealth of the country. Can you enlarge on that?

The Syrian suggestion was to amend Article 27 of OAPEC, which says that member countries should participate equally in the budget of the organisation. The proposed amendment says that shares should not be equal. This is similar to arrangements in many international organisations. The idea is that the burden should be borne more by the richer countries. However, we reached a compromise that did not require amendment of the article. There is now an OAPEC ministerial meeting examining a plan of action for the organisation over the next five years. This committee has been entrusted with studying the new proposal.

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YEMEN ARAB REPUBLIC

GOVERNMENT COMPLETES DEVELOPMENT PROJECTS

London AL-SHARQ AL-AWSAT in Arabic 12 Nov 84 p 5

[Article: "Yemen Allocates Millions of Riyals To Spend on New Development Projects"]

[Text] Sanaa--In the YAR, this year is considered one of the most productive years in terms of service and development projects completed for which the cornerstone has been laid. This includes projects financed internally by the state, projects by the joint, private and cooperative sectors and projects financed by a number of fraternal countries, led by the Kingdom of Saudi Arabia, Kuwait and the UAE. This comes as a part of the state's general plan. During the months of September and October and within the framework of celebration of the 22nd anniversary of the 26 September revolution, a large number of projects were inaugurated and the cornerstone was laid down for a number of other scheduled projects. Following is a brief review of these projects:

Col 'Ali 'Abdallah Salih, the YAR president, and Shaykh Zayid ibn Sultan Al Nuhayyan, the UAE president, laid down on 2 October 1984 during Shaykh Zayid's visit to Yemen the cornerstone for rebuilding the historical Ma'rib Dam at a cost of \$75 million to be financed by the UAE. Implementation is to be completed in the next 3 years by a Turkish firm named Dogush. The agricultural data documentaton center has also been opened at a cost of 2,632,000 riyals and a model farm has been opened in the Hamadan area at a cost of 4 million Yemeni riyals.

Industrial Projects and Public Services

In this sphere, the following has been accomplished:

Improving and renewing the Saan electricity network and linking it to the central plant (cost of 126 million riyals); inaugurating the Sanaa telephone exchange with a capacity of 23,000 telephone lines, capable of being expanded to 45,000 lines, at a cost of 17 million riyals; inaugurating the industrial complex owned by the Yemen Plastic and Chemical Products Company which consists of a plastics plant, a plant for the production of paints and their derivatives, a plant for the production of tiles and a plant for the production of metal and wooden furniture (cost 17 million); enlarging and modernizing

Ministry of Education's printing presses (at a cost of 450 million riyals); laying down the cornerstone for another industrial complex belonging to the abovementioned firm (cost of 104 million riyals); inaugurating a furniture plant with a production capacity of 5 million pieces annually (cost of 57 million riyals); inaugurating the Azal mineral water plant with a capacity of 15,000 cartons every 8 hours at a cost of 66 million riyals; inaugurating the central maintenance workshop of the Public Land Transport Authority (3.5 million riyals); laying the cornerstone for the salt refining and packaging plant (cost of 45 million riyals); inaugurating the al-Shallal mineral water plant (cost of 41.57 million riyals); inaugurating the Haddah mineral water plant (cost of 35 million riyals); laying down the cornerstone for enlargement of the cigarette plant (cost of 8.5 million riyals); laying down the cornerstone for the Balqis tourist hotel in the city of Ma'rib (five star hotel); and laying down the cornerstone for the international communications building (cost of 15 million riyals).

Educational Projects

In the sphere of education, there is the teachers institute (cost of 45 million riyals), the higher judiciary instituted financed by Saudi Arabia (cost of 20 million riyals) and two teachers institutes in Ta'izz Governorate (cost of 22.4 million riyals).

Water and Electricity Projects

In the sphere of water and electricity projects, there are two water projects in Khawlan (cost of 3.5 million riyals), a power transformer plant in 3 governorates (cost of 28.7 million riyals) and the first phase of the Dhubab water project (cost of 20 million riyals).

Buildings and Installations

Four airports have also been inaugurated in al-Bayda', Ma'rib, al-Jawf and al-Buqa' (cost of 24.3 million riyals). The project to develop the Sanaa International Airport with Saudi financing (160 million riyals), the project to complete the beltway around the capital, Sanaa, at a length of 6 kilometers in two directions and with Saudi financing (40 million riyals) and the project to develop Haddah street and to light the capital's entrances at a cost of 16 million riyals have also been inaugurated. The cornerstone for the project to develop al-Zubayri Street and al-Qasr Street in Sanaa (cost of 23.5 million riyals) and for the project to construct the Ministry of Finance building (cost of 15 million riyals) has been laid down. The sports stadium in al-Thawrah Sports City in the capital, Sanaa, has been inaugurated (cost of 75 million riyals).

There is also a variety of other projects costing more than 2 billion riyals and being implemented by the supply sector in the rural areas.

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AFGHANISTAN

WARFRONT ACTIVITIES VIEWED BY TEHRAN DAILY

Tehran KAYHAN INTERNATIONAL in English 23 Dec 84 p 5

[Text] In the report compiled by Adina Sangeen, Chief of Economic wing of the Central Committee of the Ruling Party, it was observed that this deterioration of the Afghan economy is in addition to that created after the economic aid to the country was cut off by the efforts of Karmal administration to improve the economic conditions have not been fruitful.

12 Soviets Killed, Seven Arrested in Farah Offensive

The Afghan Mujahideen were reported to have repulsed the attack on their center in Farah Province, during which 12 Soviet troops were killed and seven others were arrested including two military advisers. As many as 10 Mujahideen lost their lives in the defense of their center.

According to Agency Afghan Press sources the Soviet-Karmal troops launched a major offensive with tanks and armored cars on the Mujahideen center on November 8, near the provincial headquarter Farah. The Mujahideen after setting up fortifications outside their center, halted the invaders and destroyed three tanks by rocket launchers. Twelve crew members of the destroyed tanks were also killed on the spot.

According to the reports the Mujahideen had to move towards safe places with arrested Soviet troops and the dead bodies of their companions due to constant bombing and reinforcement to the Soviet-Karmal troops.

For the first time on November 21, the Afghan Mujahideen were able to carry out a successful raid on Shin Dand airport in Western Afghanistan. Shin Dand which lies about 100 kilometers to the South of Herat is an important Soviet controlled area. It is situated in the Farah province which is on the border with Iran. Shin Dand is located in strategic proximity to the highway which is the Soviet controls' life-line of communication and movement in Afghanistan. It has a strong military base and also a massively protected air base equipped with all kinds of aircraft and air raid equipment.

An earlier attack in June last year on Shin Dand by the Mujahideen had not caused any damage to the aircraft. In the recent attack, the Mujahideen were able to inflict considerable damage. One helicopter was completely destroyed

and two Soviet MiGs were badly damaged. During the nightly operation the Mujahideen blew up eight Soviet tanks. Forty two Karmal troops surrendered to the Mujahideen. Twenty five Mujahideen were martyred and forty eight others suffered injuries.

AAP sources from Herat say that Mujahideen had launched the attack meticulously. They stormed Shin Dand on the night of November 21. Soviet helicopters and two MiG aircraft were hit on the runway. Several Karmal troops were killed. However, the exact number of casualties was not known. After the successful completion of the operation, the Mujahideen moved towards safe places carrying the dead bodies of their companions and the captured Soviet-Karmal troops.

The Afghan Mujahideen conducted a surprise raid in the Eastern suburbs of Qandahar destroying the building housing the sub-divisional officers of Daman.

CSO: 4600/196

AFGHANISTAN

SOVIET OCCUPATION DENOUNCED BY TEHRAN DEMONSTRATIONS

Tehran TEHRAN TIMES in English 29 Dec 84 pp 1, 2, 3

[Text]

TEHRAN (Dispatches) - A number of world cities including Tehran witnessed demonstration against the Soviet Union's Afghanistan five years ago.

The demonstration and press interviews by the Mujahideen of Afghanistan who have been fighting for the liberation of their homeland, marked Thursday the fifth anniversary of the Soviet occupation of Afghanistan.

The Islamic Republic of Iran renewed its call for the withdrawal of estimated 140,000 Soviet troops from Afghanistan and to allow some 4 million refugees to go back to their home to live according to their own wishes.

Representatives of Afghan Mujahideen groups spoke out on the Soviet occupation in an interview with the Iranian press and Afghan refugees marched to demonstrate against the occupation of their homeland after 5 years of Soviet occupation.

They said in a press conference here Wednesday that Moscow had invaded their country mainly with the idea of preventing a burgeoning Islamic Revolution there.

They said the intermittent changes in the ruling government in Kabul after the coming to power of Nur Mohammad Taraki in 1978 up to the present regime of Babrak Karmal all indicate the incapacity of the Soviets to admin-

ister the affairs of the country.

The Afghans who took part in the interview were representatives of the Nasr (victory) Organization. The United Islamic Revolution Front, the Islamic Jihad Guards, the Hizbe Islami and Jami'at Islami Party.

Thursday morning thousands of Afghan refugees in Tehran condemned crimes of the Soviet troops against Afghans.

The demonstrators among whom were members of various Afghan Islamic parties and groups, stressed that the armed struggle against the government and Soviet troops in Afghanistan should be continued until expulsion of the Soviet forces.

They further stressed that the Afghans themselves should determine the fate of their country.

Furthermore, the Soviet troops in Afghanistan has been put on alert since Wednesday to prevent any possible attack on the Afghan Moslems, on the fifth anniversary of the occupation of Afghanistan.

The demonstrators then gathered at the Imam Hussein (AS) Square where two Afghan representatives delivered speeches in condemnation of the Soviet occupation of their country.

The crowd chanting slogans against the U.S.S.R. and the U.S. burned effigies of

Babrak Karmal and Soviet officials.

An Afghan militant, Hakimi, addressing the crowd said that the objective of Soviet Union in occupying Afghanistan was to plunder the resources of the country and more important than this, it aimed at finding an access to the Indian Ocean.

The Soviet occupation of Afghanistan, he added, has resulted in massive destruction, homelessness of millions of Afghans and martyrdom of a large number of them.

In another part of his speech, he said that the Afghan Moslem Mujahideen have staged an unequal war against the occupying Soviet and government forces.

The international organizations, he pointed out through their silence towards the struggle of Afghan Mujahideen, have proved their attachments to the Superpowers.

The Superpowers have been trying to solve the Afghanistan crisis through negotiations, however, such efforts would not lead to any results, he said.

He further referred to the victory of the Iranian people over the toppled regime and said it was the best example of triumph of Islam.

He added that the Islamic world should move ahead under the leadership of Imam Khomeini and stressed that Islamic Revolution should not be confined to Iran.

He also stressed that the Afghan crisis would only be solved through the struggle of the Afghan Mujahideen and they would not cease their armed struggle until expulsion of the troops of the Red Army.

Taher Latifi, was the next speaker who said that Soviet Union despite all its crimes against the Afghans, has not been able to stop the struggle of Afghan Moslem people and has neglected the power of Islam and its strength among Afghans.

At the end of the ceremony a ten-point resolution was issued by the headquarters of the Afghan Mujahideen and refugees in Iran, in which unconditional withdrawal of Soviet troops from Afghanistan, payment of reparation, and trial of leaders of imperialism were demanded.

The resolution stressed that the only solution to the Afghanistan crisis was intensification of the armed struggle against the occupying forces and said that political solution would be regarded treason against the Moslem people of Afghanistan.

It further condemned Soviet deployment of chemical warfare against Afghans and urged international organizations to deplore the action.

It also called Afghan Moslem groups fighting against the Soviet Forces and Karmal regime to unity.

The resolution also strongly condemned vicious plots and interference of the U.S. and China against the Islamic Revolution of Afghanistan and stressed that Afghans would not allow any oppressor to decide their fate.

Finally the resolution while condemning the Iraqi Baathist regime for having imposed a war on Iran called on punishment of the Iraqi aggressors and recovery of the rights of the Moslem people of Iran.

Two Afghan Leaders in Pakistan Thursday asked for concrete action by all free countries of the world to ensure that the Soviet Union withdraws its troops from Afghanistan.

The Soviet military intervention in landlocked, west Asian Afghanistan, entered its sixth year on Thursday. The Soviets have been fighting a widespread Islamic insurgency there for the last five years.

Professor Abdul Rehman Sayyaf, President of the Seven-Party Islamic Alliance of Afghan Mujahideen (holy War

riors), said Thursday, "Today is the day of renewal of our firm decision to win our independence back from the invading Soviet imperialism."

"We will continue our just struggle until the last Russian soldier leaves our soil," he said in a statement to the press.

The alliance is one of the two major rebel groups which are leading the insurgent fighting in Afghanistan.

Other wire copies reports say thousands of protestors took part in anti-Soviet demonstrations in London, India, Bangladesh, and Iran on Thursday.

The United States and its western European allies renewed calls for a withdrawal of the estimated 140,000 Soviet troops in Afghanistan. But Britain's Foreign Secretary, Sir Geoffrey Howe, acknowledged that "the outlook is not encouraging."

In Moscow, the official Soviet press marked the anniversary by extolling the "progressive changes that have taken place in Afghanistan" since the ruling Afghan People's Democratic Party took power six years ago.

The Soviet press did not mention the 1979 coup that brought Afghanistan's current leader, Babrak Karmal, to power. It commented on the Soviet intervention only in rebutting foreign criticism.

In New Delhi, some 2,000 Afghan refugees and 3,000 Indians marched with posters bearing such slogans as "death to (Soviet President Konstantin U.) Chernenko" and "KGB quit Afghanistan."

They also burned a Soviet flag outside the Soviet Embassy, but no violence was reported.

In Tokyo, Japanese Foreign Minister Shintaro Abe renewed his country's call for a Soviet withdrawal.

AFGHANISTAN

FAVORABLE REACTION RECEIVED FROM GRADUATES UNDER NEW SYSTEM

Kabul HAQIQAT-E ENQELAB-E SAWR in Dari 14 Dec 84 p 4

[Text] We are in the courtyard of the Mohammad E'tebar Khan secondary school among young people who have received their diplomas and are joyously congratulating each other, among those who after 10 years of education have graduated from this school ready to pursue higher knowledge and determined to serve their society and people.

The lycee was opened in 1345 [21 March 1966-20 March 1967] and became an experimental school 12 years later, with a new method being put into effect for students of the 5th grade. This year the first group of that system from the 5th grade graduated. We should also mention that the new teaching method in another category was started from the first grade in 1357 [21 March 1978-20 March 1979]. Commenting on the success of introducing the new teaching method in the 5th grade, the principle of the school said: The school administration undertook a crash teaching program and teachers increased the volume of lessons. And pupils also accepted to learn under the new method. As a result we were able to put the program into effect successfully. This year 120 students, 28 of them girls, will graduate from this lycee. Of these, 25 will go to the prep academy, a large number of them to Kabul University and about 15 of them to military college to pursue higher studies. A number of them want to work in institutions and some of the boys have volunteered to serve in the army. We spoke with some of the outstanding students of whom 8 educational medals from the Central Committee of the PDPA and the others awards and citations from the Central Committee of the Democratic Youth Organization of Afghanistan and the Ministry of Education and Training.

Leyla, an outstanding graduate of the lycee says: In our school, lessons are given on a visual and practical system, this helping us to learn better. We also made use of the school library during our studies. We read a lot of books and added to our knowledge. I want to become a doctor.

Mohammad Fahim, a science major said: In our school, lessons are given on modern teaching principles and experimental procedures. During our lessons, we not only had almost twice the amount of lessons than other schools but continuously read scientific and social books. The school administration gave more attention to our scientific teaching. We also

did better in physical education, music and other subjects which were part of our curriculum.

I have obtained the university entrance examination application card and would like to become a doctor.

Hanifeh, a social studies major said: We never waited for the night before exams to start cramming but rather considered our education the means to serve the people and the revolution and to utilize what we learned for the progress of our fatherland. We therefore dedicated ourselves to learning because we knew the people had expectations and knew what we were doing. We must give a positive response to such expectations.

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CSO: 4665/10

AFGHANISTAN

NUMBER OF LITERACY COURSES INCREASING

Kabul HAQIQAT-E ENQELAB-E SAWR in Dari 11 Dec 84 p 4

[Text] Women comprise half of our society. Without raising the level of revolutionary knowledge, political education and the elimination of illiteracy within this half of society it is not possible to build a future budding society and to bring up patriotic children. The expansion and strengthening of the literacy movement among the wide strata of women is daily being transformed into an essential and necessary new program. The joining of tens of thousands of women to this program a proof of this. Now we take a look at the literacy courses in the Qal'ah Gheybi women's residential sector of the 7th precinct of Kabul. We knock at the door of one of the houses and enter. A number of women are sitting on a gelim in a circle. They are listening to their teacher with enthusiasm. Their expressions show they are eager to learn so that they can become aware of the benefits of the revolution through literacy. They write on the blackboard in elementary and simple fashion, "May the Sawr Revolution remain victorious" and with curiosity ask, "Teacher, what is revolution?" The teacher of their class is an intelligent and pleasant woman. She answers, "Revolution is an all-out change in the life of society and your lives. Until yesterday the women of our country could not learn to read and write." The teacher recounted the bitter past and memories of the suffering and pain of women and mothers who, because of the dominance of the sinister and unequal system of the past, had not been able to become literate and had to resort to clothes washing, servitude and begging at the homes of the feudally opulent and the rich. Nurieh, the supervisor of the area who was accompanying us said: In order to avoid lessons being dry and lacking revolutionary content, our teachers are not satisfied with simple reading and writing but also try to increase the mental awareness of the women and to tailor the content of lessons close to the everyday lives of women. Recently, the Literacy Office, taking into consideration new methods and the natural interests of women, has included within the framework of the lessons such things as housekeeping, cooking, sewing, improved use of vegetables, environmental health, the vocational training of women as literacy teachers and the holding of methodology seminars for literacy teachers. In addition good results have been obtained from utilizing such means as discussion and rap sessions with families, the showing of educational and inspiring films and the broadcast of literacy programs on television.

Our agency has succeeded up to now to enroll 85,570 women in the courses. Our teachers are welcomed in homes. No doubt the more the courses increase and more people become literate, the more will these streets be rid of the enemies of the revolution. The antirevolution is quite upset over the expansion of this movement, and tries to block the road of this revolutionary movement through lies, slander, burning schools and intimidating families and individuals who are eager for literacy and light. But you can see that the antirevolution will never be able to stop the general desire of the people for knowledge and progress. You can see this eagerness in the facial expressions of each of these women. This is a telling answer to the antirevolution. The teachers of our area who are members of the party and social organizations believe that literacy is the torch that lights the road of life and victory and it must be used as a cutting and effective instrument against the enemies of the revolution and the people, and go forward with strong and determined steps convinced that the road of literacy teaching is in reality a struggle on the road to the blossoming of the revolution and the building of a new society.

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CSO: 4665/10

AFGHANISTAN

NEW PROJECTS TO ELIMINATE WATER SHORTAGE

Kabul HAQIQAT-E ENQELAB-E SAWR in Dari 9 Dec 84 p 4

[Text] The 20th anniversary of the party is approaching. Because of the occasion, fervour and excitement has gripped cities and villages of our nation. Amidst such constructive efforts and pulsations, we pay a visit to those who supply water for Kabul residents. We see what they are doing in trying to ameliorate water shortage problems in areas of Kabul without adequate supplies. At the start, we put a question on the matter to the director of the Kabul Water Authority who gave this response: In accordance with guidance of comrade Babrak Karmal, general secretary of the Central Committee of the PDPA and chairman of the DRA Revolutionary Council to the effect that healthy drinking water be made available in Vazirabad, Jamal Minah, both sides of the Kuh-e Asemani, third area of Kheyrkhanah Minah, Rahman Minah and Nur Mohammad Shah Minah sectors, preliminary surveys were carried out for proving healthy drinking water and, on the basis of that, work on the extension of the water main in the third area of Khayrkhanah Minah started and is continuing. The aim is to hook up the Kheyrkhanah Minah drinking water supply facility to the main water network on the occasion of the 20th anniversary of the PDPA.

Also preliminary work is in progress on the slopes of Kuh-e Asemani. The aim is to utilize the television water cistern and instal public faucets on both sides of the highway. At the same time preliminary studies are being made for well sinking in the Jamal Minah sector where water shortage is felt. In the case of the Vazirabad, project where the water main has never been extended, deep well supplies is the aim.

From the remarks of the director of the water authority it appears that the problem of water shortage also affects Kabul Municipality and the Kabul electric power authority. I therefore visited Kabul Municipality too. The technical assistant of Kabul Municipality had this to say about his institution's link with the matter: In order to eliminate the water shortage problems, Kabul Municipality is obligated to carry out the digging and grading work and this job is under way.

Also, 10 water distribution tankers have been assigned to the Vazirabad project in order to meet the urgent water needs of that area's residents.

According to the technical assistant of Kabul Municipality, with the completion of the four urgent programs, healthy water supplies will become available for 60,000 people.

He stated the following in regard to the financial aspect of the projects: In addition to a portion of the expenditures of these projects being provide from the revenues of this institution, the Government Planning Committee will make 10 million afghani available to the Water Authority.

According to explanations provided by the abovenamed officials, the start of operations of the new potable water projects will involve the supply of additional electricity, something which the Kabul Electricity Power Authority is also prepared to meet. This was stated by the director of the institution.

Thus, relying on statements of responsible officials of the institutions aforementioned, in the near future the water shortage problems in the sectors mentioned will be eliminated and healthy drinking water will become available there.

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CSO: 4665/8

AFGHANISTAN

OVER 308 THOUSAND FAMILIES HAVE RECEIVED LAND

Kabul HAQIQAT-E ENGELAB-E SAWR in Dari 20 Dec 84 p 2

[Text] According to information received from a source in the Ministry of Agriculture and Land Reforms of the DRA, in 1363 [21 March 1984-20 March 1985], according to a new land and water reform implementation directive for Afghanistan issued by the joint commission of the Central Committee of PDPA and the Council of Ministers of the DRA regarding the continuation of land and water reforms, attention has been given so that the duties and the competence of various government and party organs involved in land and water reforms vis-a-vis the local farmers' council as well as farmers' committees be clarified and specified.

Under the new directive, land and water reforms commissions are given the responsibility of such reforms in their respective provinces. In order that things be done better and problems resolved, operational groups formed with local cadres have been included in the organization of provincial land reform offices.

It should be noted that the specified goals of the current operation of democratic land and water reforms consist of: the correction of errors made in the first stage; the distribution of land and water to the remaining deserving individuals; the determination of water rights; the determination of tenancy areas; delineation of land borders and their conversion to first grade land; the distribution of land to government farms and cooperatives and other institutions; a just solution of disputes over land and water rights emanating from the implementation of land and water reforms; registration of qualitative and quantitative details of water in land record books, finance records and the records of operational teams; distribution of official land titles to the deserving who have received land; changing all previous land ownership documents of landowners to official title deeds; preparing necessary documents and books; and the formulation of the legal and administrative aspects of ownership of land.

In order to achieve utmost progress in implementing the land and water reform program, right now 66 operational teams are working in 27 provinces of the country. It should be remembered that the present operational teams consist of the following three committees: the settlement and delineation of land

committee, land distribution committee, preparation and title-deed distribution committee, committee on distribution of material and technical assistance to farmers.

As a result of the patriotic work of operational teams, up to the present time 679,567 hectares of land have been distributed to 308,210 landless farmers and those with limited land since the start of land reforms. Official title-deeds given out number 29,893.

In addition, in the first 6 months of the current year [21 March-22 September 1984] 82,391 hectares of first-class land have been liquidated. The deserving who have recently received land number 343 households. It must be added that during this period 9,435 hectares land and 23,504 documents have been distributed among farmers free of charge. And at the same time operational teams are providing material and technical aid such as fertilizers, improved seeds, agricultural credits, plant and animal pesticides, etc., in the process of implementing land and water reforms. Moreover, village farm councils are being set up to encourage participation of farmers in carrying out land and water reforms and to democratize life in rural areas. Village farm councils are the legal representatives of all farmers in each locality in resolving issues related to improved utilization of land and water tenure and the democratization of relations in villages concerning land and water. Village farm councils also cooperate with operational teams in resolving disputes which may arise from implementation of land and water reforms. continuous and product efforts are improving the way land and water reforms are being carried out. According to fixed schedules, technical and public relations groups have visited the provinces, inspected and supervised the reforms under way, resolved technical problems of operational teams and cooperated with land and water reform commissions where necessary.

Also, alongside the propagation of the goals of land reforms in villages and hamlets and the raising of awareness levels and knowledge of members of operational teams, land reform officials and representatives of related organizations have set up courses and seminars in the provinces to familiarize farmers rules and regulations governing land reforms as well as revisions and additions in some articles of Directive No. 8 issued by the DRA Revolutionary Council and Articles 1 and 2 of that law and the land concerning land tenure.

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CSO: 4665/8

AFGHANISTAN

BRIEFS

SOVIETS SUSTAIN HEAVY LOSSES--NEW DELHI, (IRNA)--The Afghan Moslem Mujahideen inflicted heavy financial and human casualties upon Soviet forces during a partisan attack in Khak Jabar region, 30 kms from Kabul last week. A high-ranking Soviet commander in Afghanistan lost his feet when he stepped on a mine during these clashes. According to Mujahideen sources here during other clashes in Pakitiya State recently, the Afghan Mujahideen shot down 7 military aircraft and helicopters as well as two cargo planes carrying winter equipment for Soviet and Afghan government forces during the past two weeks. These reports also added that fierce battles still continued at Panjshir Valley and regions near Gul-Bahar, north of Kabul. The Afghan Mujahideen also planted bombs at the residence of some members of the regime's intelligence agency (KHAD) in Mazar Sharif Province, which borders the Soviet Union, killing or injuring seven of them. [Text] [Tehran TEHRAN TIMES in English 26 Dec 84 p 1]

CSO: 4600/205

BANGLADESH

AGENCY INTERVIEWS PRC SCIENCE TEAM LEADER

Dhaka THE BANGLADESH TIMES in English 18 Nov 84 pp 1, 8

[Text] Prof Sun Honglie, leader of the visiting Chinese scientists delegation said that Bangladesh and China had many problems in common and both the countries could be benefitted in solving these problems through mutual cooperation in the fields of science and technology.

In an exclusive interview with BSS in Dhaka on Saturday Prof Sun said that the possibilities for cooperation between Bangladesh and China in the areas of energy development, remote sensing application and agricultural development could be explored with positive expectations.

Prof Sun who is also the Vice-President of the Chinese Academy of Sciences, expressing his impression on the level of science and technological development in Bangladesh said that the scientists in Dhaka had made 'great contribution' to meet the demands of national economy.

In reply to a question he said that 'China was still behind' the Western countries in some areas of scientific development and stressed the need for collaboration with other countries to benefit from each others experience. He however said that in some areas of scientific development China was well ahead of many Western countries.

In reply to another questions Prof Sun said that China had a good family planning policy and the scientists had contributed greatly in the development of contraceptives, birth control implements and in improving the conditions of new born babies and their mothers.

He said that Chinese scientists had made great contributions in increasing the output of national industries and agriculture and cited the examples of development of bio-gas technology, small hydraulic power generation units, highbreed rice and improve varities of crops and peaceful utilisation of nuclear science.

Prof Sun also said that entering the fields of certain new technologies, China was giving priority to bio-technology, computers optics and developing new alloys, compounds and hybrids.

CSO: 4600/1216

BANGLADESH

ERSHAD DEPLORES LAW AND ORDER SITUATION

Dhaka THE BANGLADESH TIMES in English 23 Nov 84 p 1

[Text] The President and Chief Martial Law Administrator Lt. Gen. H. M. Ershad on Thursday stressed that relentless movement should be launched to stem moral erosion and restore values to build and sustain a healthy and happy society, reports BSS.

The President was reviewing the law and order situation of the country at a high level meeting in the Cabinet Room of the Bangladesh Secretariat.

The meeting was attended, among others, by the DCMLAs, the Prime Minister, and the Ministers for Home Affairs, Labour and Manpower and Ports and Shipping and high ranking military and civil officials.

The President said that every body, irrespective of political, social and any other affiliation or profession should be conscious, should identify his or her responsibility to the society, and should work vigorously to get rid of the social malaise whether originating due to political or economic reasons.

He mentioned that vices were being committed with impunity, like setting ablaze public transports causing suffering to the movement of the common-man, attacking cinema halls by rowdy elements, disturbing peace-loving citizens to enjoy normal life and recreational facilities, and causing harm to the innocent citizens by throwing acid.

He said that we could not survive as a nation if we did not control and eliminate the vices.

The President noted with regret that there had been increased unrest in the campuses of the educational institutions. He said that the educational institutions had failed to maintain congenial and peaceful atmosphere. The teachers and students both have equal responsibility to improve the campus. They should see that the institutions were not vitiated by the atrocities of irresponsible people, he added.

Continuing, the President deplored that despite resumption of indoor and, later on, outdoor politics, certain political parties did not take the advantage for restoring a healthy, congenial and constructive atmosphere. Four out of five demands of the opposition parties had already been met. But the

parties he added, with a view to hindering the process of transition to democracy raised the bogies of revised five-point demand.

The President directed the law enforcing agencies to work with confidence. They should see that nobody takes law into one's own hands. He asked the agencies to deal with the criminals without any fear or favour irrespective of their social or political vocation.

The President called upon all concerned to identify the causes of erosion of moral values and recommend measures to combat and eliminate them in order to save the society from total disaster.

CSO: 4600/1218

BANGLADESH

BANGLADESH, IRAQ SIGN PROTOCOL ON WORKER EMPLOYMENT

Dhaka THE BANGLADESH TIMES in English 21 Nov 84 pp 1, 8

[Text] Bangladesh and Iraq signed in Dhaka on Tuesday a protocol finalising the recruitment of about 11,000 Bangladeshi skilled workers by Iraq.

The protocol was signed by Labour and Manpower Secretary Mr K M Rabbani and leader of the five-member Iraqi Delegation and Under Secretary, Labour and Social Affairs Mr Sohail Mohammad Saleh on behalf of the respective governments.

After the signing ceremony, the Labour and Manpower Minister Shah Moazzem Hosain told BSS that consistent efforts were being made to find new avenues to provide more Bangladeshi skilled and semi-skilled manpowers with gainful jobs abroad.

He said arrangements have been made for starting a training programme to create skilled manpower suiting to foreign demands.

He hoped that friendly relations between Iraq and Bangladesh would be further cemented following the signing of the protocol. He said Iraq had also expressed interest to take semi-skilled manpower.

Under the protocol, the detailed contract for employment of the 11,000 Bangladeshi skilled workers would be signed by both parties subject to the rules and regulations in force in both countries.

Regarding payments to the labourers, the protocol provided that 40 per cent of the salaries would be paid by inconvertible Iraqi dinars when due, 20 per cent would be paid by foreign currency when due and the rest 40 per cent would be paid after 5 years with an annually paid interest of 5 per cent by foreign currency.

The five-member Iraqi Delegation which arrived in Dhaka on November 16 left Dhaka on Tuesday afternoon.

Another Iraqi delegation will visit Bangladesh for selection and final recruitment of the Bangladeshi workers.

CSO: 4200/1217

BANGLADESH

UNION PARISHAD OFFICIALS' TENURE EXTENDED

Dhaka THE BANGLADESH TIMES in English 21 Nov 84 p 8

[Text] The Council of Ministers has approved a new ordinance after amending the Local Government (Union Parishad) Ordinance of 1983 extending the tenure of the office of Union Parishad from three years to five years, reports BSS.

The ordinance was approved at a meeting of the Council held on Sunday with the President and Chief Martial Law Administrator Lt. Gen. H. M. Ershad in the chair.

The Council decided to vest the management and income of the ponds and tanks with the paurashavas and paurashava corporations under which they are located. It also decided to give the responsibility of management and income of the Jalmahal up to 20 acres to the respective paurashavas and paura corporations under which they are located.

The paurashavas and paura corporations will, however, pay one per cent of their income as nominal revenue to the Government like that of the upazilas.

The khas ponds, tanks and lakes and those owned by different departments within Dhaka city and outlying areas will remain within the jurisdiction of the Fisheries and Livestock Division for pisciculture.

CSO: 4600/1217

BANGLADESH

CORRESPONDENT INTERVIEWS NEPALESE ON WATER PROPOSAL

Dhaka THE BANGLADESH OBSERVER in English 3 Dec 84 pp 1, 10

[Text] Nepal favours regional cooperation, particularly, with her two close neighbours. Bangladesh and India, to harness the water resources in this region for meeting the energy and irrigation requirements of the three countries. So far Nepal has bilateral ties in this regard only with India but she welcomes Bangladesh's proposal for Kathmandu - Dhaka - New Delhi cooperation to develop and share water resources for the benefit of all the three parties concerned.

This observation was made by Dr. B. B. Pradhan, a member of the National Planning Commission, Mr. P. N. Rana Secretary of the Ministry of Agriculture, and Mr. M.S. Dhakal, Secretary of the Ministry of Water Resources, while discussing Nepal's stand on regional cooperation on water resources with this correspondent in Kathmandu recently.

The senior most officials of Nepal Government were of the opinion that Bangladesh had very clearly spelled her point for tripartite cooperation to develop and share water resources in this region. They, however, added that the inclusion of Nepal in such a venture depends on the joint approach by Bangladesh and India.

The idea for regional cooperation on water resources got an impetus by a statement of King Birendra wherein the monarch of the Himalayan Kingdom said, "Water constitutes one of the potent sources for Nepal's economic growth, we do not intend to look at them from the standpoint of national interest alone and it is our conviction that if cooperation can be called for, especially cooperation of Asian countries such as Nepal, India, China, Bhutan, Bangladesh, Pakistan, Sri Lanka and all other regional countries, a vast resource of bountiful nature can be tapped for the benefit of man in this region."

Till now tapping of water resources is being done on bilateral basis between Nepal and India on one side and between India and Bangladesh on the other. In 1978 Bangladesh placed a formal proposal before the Indo-Bangladesh Joint River Commission to include Nepal in the effort for dry-season augmentation of flow of the Ganges waters at Farakka. But India insisted on continuing the present bilateral arrangement and the idea for regional cooperation is yet to get a meaningful shape.

The diplomatic circles in Kathmandu and Dhaka believe that a positive shape in South-Asian Regional Cooperations (SARC) moot with the change of the Indian leadership and new moves from Bangladesh and Nepal for regional cooperation might receive a fresh approach from New Delhi. Such thinking gained ground following the new Indian Prime Minister's political stance of "no-threat-from India" towards her close neighbour, Pakistan. However, the diplomatic circles here is skeptical of any substantive change in India's foreign policy excepting a change of style and procedure before the Indian general elections this month.

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The Himalayan Kingdom, which is the source of most of the rivers flowing through India and Bangladesh, had a technical potential water resources to generate 83000 mw of electricity and provide adequate water for irrigation in these three countries. Nepal and India have bilateral agreement for two-way flow of energy. Besides the present arrangement, two big hydro-electric projects will be taken up in 1987 to export power to India and for irrigation purposes. The Pancheswar hydroelectric project, located on the Mahakali (Sarda) river that forms the western international boundary of Nepal with India near Uttar Pradesh will have an installed capacity of 1000 mw of power. The other, Chisapani hydroelectric project on the Karnali river in the Terai of Nepal will be the most economic export-oriented project of the Himalayan Kingdom with an installed capacity of 3600 mw of electricity interconnecting the Indian power system at Lucknow in Uttar Pradesh.

The Nepalese high officials winded up their discussion with this correspondent with a broad friendly smile and quoting from King Birendra's policy statement on regional cooperation when this correspondent asked them about the prospects of a trilateral cooperation on water resources among Nepal, India and Bangladesh.

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CSO: 4600/1224

BANGLADESH

RESULT OF POPULATION CONTROL MEASURES 'DEPLORABLE'

Dhaka THE BANGLADESH OBSERVER in English 3 Dec 84 p 1

[Text] The net result of the population control measures during the Second Five-Year Plan has been described as deplorable and the growth rate at 2.32 per cent in 1981 did not show any sign of decline over the last three years.

In spite of attaching highest priority to tackle the population growth, the target for sterilisation and use of contraceptives by the fertile couples was not achieved during the period. The sterilisation target was achieved only to the extent of 60 per cent during the first four years of the Second Five-Year Plan (1980-1985). The target was set to sterilise 23 lakhs fertile people during this period. But the actual achievement has been estimated at 14 lakhs only. The percentage of contraceptive use by fertile couples has been achieved to the extent of 22 per cent as against the target of 37 per cent.

The poor performance in this sector has forced the government to stretch its programme by 10 years for achieving Net Reproductive Rate (NRR-1) aiming at restricting the population growth to two children per couple. The programme, originally envisaged to be achieved by 1990 has now been set for 2000 A D. The government monitoring agencies warned that such revision and alterations of target in the sensitive sector like population control will have very adverse impact on our development efforts. The agencies suggested to bring down the population growth to 1.8 per cent by 1990 to have 11 crore people in the country by that time. But the planners are skeptical about this optimism. They, however, held that if the programme is sincerely pursued with efficient streamlining of the grassroot level of workers the target may be achieved.

The failure in achieving the target of population growth during the Second Five-Year Plan has been attributed to: Lack of physical facilities in the rural areas, shortage of lady doctors and clinics for operation, lack of initiative by field workers and inadequate supervisory staff. Besides the resistance by the religious leaders and lack of motivational work in the rural areas stand in the way of effective implementation of population control programme.

Besides, the poor service delivery creates a helpless situation even for the motivated couples to adopt family planning means to restrict the growth.

CSO: 4600/1224

BANGLADESH

BRIEFS

AMBASSADOR TO SWEDEN--The Government has decided to appoint Major General Muzammel Hussain Psc at present Principal Staff Officer to the Commander-in-Chief of Bangladesh Army as Ambassador of Bangladesh to Sweeden. A widely travelled person General Muzammel was a member of Bangladesh delegation to the Special Session of the UN on Disarmament in 1982 and 37th and 38th United Nations General Assembly Sessions in 1982 and 1983 He is married and has three daughters. [Excerpts] [Dhaka THE BANGLADESH OBSERVER in English 2 Dec 84 pp 1, 8]

ERSHAD TENURE EXTENDED--The tenure of the services of the Chief of Army Staff, Lt. Gen. Hussain Mohammad Ershad, has been extended by the Council of Ministers for one year, effective from December 1, 1984, an official announcement said in Dhaka last night, reports BSS. [Text] [Dhaka THE NEW NATION in English 26 Nov 84 p 1]

ENVOY TO KAMPUCHEA--The government has decided to concurrently accredit Mr K.M. Kaiser at present Ambassador of Bangladesh to the People's Republic of China, as Bangladesh Ambassador to democratic Kampuchea, it was officially announced here yesterday, reports BSS. Another report said Ambassador A H S Ataul Karim, Permanent Representative of Bangladesh to the United Nations office and other international organizations in Geneva presented his credentials to the Director General, United Nations office in Geneva Mr Eric Suy on Tuesday. The Permanent Representative and the Director General exchanged views on matters of mutual interest in a meeting after the presentation of credentials. [Text] [Dhaka THE NEW NATION in English 1 Dec 84 p 3]

JANADAL SUPREME COUNCIL--The Supreme Council of Janadal has been expanded with the inclusion of Air Vice-Marshal (Retd) A.M.K. Aminul Islam, Minister for Irrigation Prof. M. A. Matin Minister for Commerce and information Minister Mr. Shamsul Huq. With the inclusion of three members in the Supreme Council, the number of members in the highest body of the party has become 13. Meanwhile, the central executive committee of the Janadal has also been reorganised and expanded from its present strength of 101 to 175 members. [Text] [Dhaka THE BANGLADESH OBSERVER in English 27 Nov 84 p 3]

NEW NIGERIAN AMBASSADOR--Rear Admiral Denson Ere Oku jagu has been appointed High Commissioner of the Federal Republic of Nigeria to Bangladesh with residence in New Delhi. It was officially announced in Dhaka on Thursday reports

BSS. Born on November 25 1939 Mr Okujagu earned West African school certificate. A career Naval officer Mr Okujagu joined Nigerian Navy in 1961. He was promoted to the rank of Rear Admiral in 1983 after holding He has some professional de many important positions. grees. He is married and has children. [As printed] [Text] [Dhaka THE BANGLADESH OBSERVER in English 23 Nov 84 p 10]

PRC SCIENCE TEAM--The five-member Chinese science delegation left Dhaka on Sunday on the conclusion of its five-day visit to Bangladesh, reports BSS. During its stay in Dhaka, the delegation, led by Prof. Sun Honglie, Vice-President of Chinese Academy of Sciences met some Ministers, visited a few scientific organisations and exchanged views with scientists and technologists. [Text] [Dhaka THE BANGLADESH OBSERVER in English 19 Nov 84 p 14]

LOAN FOR TEESTA--Bangladesh will receive a loan of 10 million US dollars from the Islamic Development Bank (IDB) as part financing of Teesta barrage project under an agreement signed in Dhaka on Tuesday reports BSS. Under another agreement also signed on Tuesday the IDB will give Bangladesh a grant of 1.4 million US dollars for construction of four educational institutions one in each of the four administrative divisions of the country. The visiting IDB President Dr Ahmed Mohamed Ali and the Principal Finance Secretary and Finance Adviser Mr M. Syeduzzaman signed the agreements on behalf of their respective sides. The loan bearing a service charge of 2.5 per cent annually will be Repayable in 25 years. With Tuesday loan and grant the IDB assistance to Bangladesh now stands at 398.47 million dollars. Of the total 73.15 million dollars were given as project assistance and 325.32 million dollars as foreign trade finance. The major projects co-financed by IDB in Bangladesh include Zia International Airport acquisition of two ships by Shipping Corporation East-West Interconnector and Chittagong Urea Fertilizer Factory. The items of import under IDB foreign trade financing include crude oil cement cotton rock phosphate and clinker. [Text] [Dhaka THE BANGLADESH OBSERVER in English 28 Nov 84 p 1]

NEW FINNISH AMBASSADOR--The new Ambassador of Finland to Bangladesh Mr Groop Jan Henrik presented his credentials to President and Chief Martial Law Administrator Lt Gen H M Ershad at Bangabhaban on Sunday morning reports BSS. While presenting the credentials the Finish envoy expressed the hope that during his tenure of office the existing friendly ties and cooperation between Bangladesh and Finland will be further strengthened to the mutual benefit of the two peoples. Reciprocating the sentiments President Ershad assured Mr Henrik of all possible cooperation and assistance in the smooth discharge of his duties. [Text] [Dhaka THE BANGLADESH TIMES in English 20 Nov 84 p 3]

CSO: 4600/1223

INDIA

PRESS REPORTS ASPECTS OF INDO-U. S. RELATIONS

Senators' Visits: Little Expected

Madras THE HINDU in English 24 Nov 84 p 1

[Article by G. K. Reddy]

[Text] New Delhi, Nov. 23. The Government of India is not attaching any special significance to the impending visits of five U. S. Senators to the sub-continent, contrary to speculative reports emanating from Washington.

This is the season for U. S. Congressmen to travel abroad during the Christmas recess at Government expense, ostensibly to acquaint themselves with the views of other countries on international developments which are of interest to them.

The first one of these Senators, Mr. Claborne Pell, is arriving on November 26. The other four, Mr. Sam Nunn, Mr. John Glenn (one-time astronaut), Mr. Bennet Johnston and Mr. Jim Sasser will arrive on December 29 on brief visits to Delhi. They will be meeting the Prime Minister, Mr. Rajiv Gandhi, besides other important personalities in the Indian Government.

Envoy's suggestion: The five Senators, all of them Democrats, are coming to India primarily at the suggestion of the U. S. Ambassador, Mr. Harry Barnes, who has been pressing them to visit the sub-continent to get a better idea of Indian policies and aspirations. As the idea of these visits was mooted well before Indira Gandhi's assassination, it cannot be construed to be part of a new diplomatic initiative by the U. S. to open the way for better Indo-American relations.

There is thus no basis for the assumption that their visits form part of a new initiative by the Reagan Administration to establish closer links with Mr. Rajiv Gandhi's Government. The only thing that has been done is to advance the dates to suit the convenience of the Prime Minister, who will be away from Delhi from December 1 on the election campaign.

Neither the Ministry of External Affairs nor the American Embassy has had any independent corroboration of the WASHINGTON POST report carried by several Indian newspapers today that the U. S. President, Mr. Ronald Reagan was thinking of sending a special mission to India headed by Mr. Charles Percy, former Chairman of the Senate Foreign Relations Committee, to make a reappraisal of

the prospects for closer Indo-American relations. These reports have also hinted at the possibility of Mr. Percy, a good friend of India, who was defeated in the recent American congressional elections, being appointed the next American Ambassador in Delhi.

More important visit: What is more important than the visits of the five Democratic Senators to the sub-continent is the impending trip to Pakistan by the Chairman of the U. S. Joint Chiefs of Staff, Gen. John Vassey, the highest ranking American military officer, to make an on-the-spot assessment of Pakistan's additional military assistance request for the supply of more sophisticated arms. One of the five Senators visiting the sub-continent, Mr. Sam Nunn, who is chairman of the Senate Armed Services Committee, will be going to Pakistan along with Mr. John Glenn, a ranking member of the Senate Foreign Relations Committee.

The Government of India would be very happy to have Mr. Charles Percy as the next U. S. Ambassador after the present incumbent, Mr. Harry Barnes, has completed his terms, because he has had good personal contacts with the Indian leaders and as Chairman of the Senate Foreign Relations Committee, he had consistently adopted a sympathetic attitude to the country's problems. But the name of Mrs. Mary McDonald, a prominent fund raiser of the Republican Party, who visited Delhi recently to attend Indira Gandhi's funeral, as a member of the U. S. delegation headed by the Secretary of State, Mr. George Schultz, is also being mentioned as a possible choice for ambassadorship to India, which is regarded as a senior diplomatic assignment.

Keenly-watched

R. Chakrapani writes from Washington:

Mr. Charles Percy has not been available for any direct comment on the reports that he is being considered by Mr. Reagan for an India-related assignment.

Reports about the next envoy to New Delhi are keenly watched as the whole world is watching with interest the post-Indira India.

In the past, successive U. S. administrations have named for the New Delhi post either noted intellectuals or politicians of standing, in recognition of the rich intellectual and cultural heritage of India. This chain has been broken only occasionally and Mr. Barnes, whose quiet diplomacy in the past few years eventually led to the successful visit of Indira Gandhi to the United States in 1982, has been one the few career officers to have held the post.

As for Mr. Percy, the recently unseated suave Senator from Illinois, he is known to be Mr. Reagan's trusted troubleshooter on Capitol Hill in the past four years.

He has served as a bridge between the rightwingers and liberals on foreign policy issues and been of invaluable assistance to Mr. Reagan in securing congressional approval of his foreign policy programmes and in confirming his nominees for foreign assignments by the Senate Foreign Relations Committee.

Problems for Reagan: As Chairman of this committee, Mr. Percy has played a moderating role on tempestuous foreign policy questions. In fact, the vacuum caused in the committee chairmanship by his electoral reverse is threatening to create some new problems to the Reagan Administration. By a system of rotation based on seniority followed at Capitol Hill, the next Chairman is likely to be the Senator Mr. Jesse Helms of North Carolina, whose support for right-wing extremism around the world is well known. Even the prospect of such a key job in the committee for him is sending official circles in Washington into jitters.

Mr. Helms has said he is not interested in the job and that he will be quite satisfied with his chairmanship of the Senate Agriculture Committee which, it is widely alleged, enables him to distribute patronage to his supporters around the world. But Mr. Helms is under pressure from his admirers to exchange it for the more prestigious job.

Joint Business Council Proceedings

Madras THE HINDU in English 29 Nov 84 p 6

[Text]

NEW DELHI, Nov. 28.

The ninth meeting of the Indo-U.S. Joint Business Council opened here today with each side calling on the other to change its attitude and policies to promote greater trade and industrial cooperation.

While the leader of U.S. delegation, Mr. Orville Freeman, wanted India to change from the "policy of selectivity" in foreign investment to the policy of openness, the leader of the Indian delegation, Mr. Ramakrishna Bajaj and the Secretary to External Affairs Ministry, Mr. Ramesh Bhandari, called for change in the U.S. Government's restrictive trade policies which worked against India and other developing countries.

In his keynote speech, Mr. Bhandari made it clear that India could not continue to liberalise its import and other policies if the U.S. did not remove the protectionist barriers against exports from India and did not make available adequate concessional finance for development projects.

Mr. Bhandari said the developing countries were not seeking any "handout" or redistribution of the wealth of the industrialised countries when they sought (a) improved access for their exports, (b) increase in Official Development Assistance and (c) reform of monetary and financial system. If the developing countries could increase their exports, that would provide them foreign exchange to purchase more from the industrialised countries. The benefit would thus accrue to both sides.

Similarly, increase in the Official Development Assistance would only yield rich rewards for the donor countries. Each dollar of U.S. contribution to the World Bank for lending through the International Development Association brought back to the U.S. 80 cents by way of orders for goods, he said.

Stoutly defending policies in respect of foreign investment and technology, India, Mr. Bhandari said, was keen to induct foreign technology but in such a way that it would not perpetuate dependency. India wanted technology that could be absorbed and improved upon. This strategy had worked successfully in the field of agriculture.

All-time peak: Mr. Bajaj noted that the two-way trade had touched an all-time peak of \$4010 millions and the U.S. had once again emerged as the largest trading partner accounting for 18 per cent of India's total exports and 13 per cent of total imports in 1983. But, India's share in the U.S. market had been declining and now stood at less than 0.86 per cent though a number of developing countries of Asia, Africa and Latin America had been able to increase their exports to the U.S. The increase in India's exports by 50 per cent in 1983 was mainly due to export of low sulphur crude petroleum. If this item was excluded, India's exports would be only \$1372 millions, which was less than the exports in 1982 and would result in adverse balance.

He regretted that although the U.S. had always been propagating free trade policies, the new Trade and Tariff Act of 1984 contained provisions which were rather restrictive in nature. For instance, the introduction of new rules of origin for textiles would place additional burden on apparel exporters while the imposition of countervailing duties and anti-dumping investigations had created uncertainties. The U.S. Controlled Carrier Act had adversely affected the Indian shipping industry.

Constraints: Mr. Bajaj said the General Scheme of Preferences (GSP) had not given the expected fillip to trade to the U.S. because of the rigidities and constraints in its operation. The percentage share of exports admitted under the GSP to total exports to the U.S. had dropped from 13 per cent in 1982 to eight per cent in 1983.

Uncertainties in U.S.: Mr. Freeman said the U.S. faced major uncertainties and challenges especially on the domestic front and in stabilising relationship with the Soviet Union. In the recent elections, the American voters had sent more Democrats than Republicans to Congress and this would make it extremely difficult for the President, Mr. Reagan, to carry forward an economic programme to overcome the massive budget deficit of over five per cent of GNP. The deficit was a major threat to strong economic growth performance of the U.S. economy.

Ups and downs: The U.S. Ambassador to India, Mr. H. Barnes, said despite periodical

ups and downs, the basic fabric of bilateral cooperation was strong and would continue to be strong. He referred to the feeling of uncertainty in India about getting high technology from the U.S. and said this could be sorted out by mutual discussions.

Dr. Bharat Ram, chairman of the JBC, said the opening up of the economy was reflected by the increased number of foreign collaborations approved by the Government, which had steadily increased from 389 in 1981 to 673 in 1983. The U.S. had become the major collaborating partner of India since 1980.

Business Council Communique

Bombay THE TIMES OF INDIA in English 1 Dec 84 p 15

[Text] New Delhi, November 30: India and the United States are to sign a memorandum of understanding next month which will enable this country to import high technology U. S. equipment, including sophisticated computers.

This was confirmed by Mr. Orville Freeman, leader of the U. S. delegation to the Indo-U. S. Joint Business Council (JBC) at a news conference here yesterday. He said that following the visit of a U. S. technical team to New Delhi recently, the governments of India and the U. S. were having a "second look" at the U. S. policy so that it did not come in the way of transfer of technology.

He said there were strict certification procedures for the export of certain defence related high technology. The issue was sensitive and there were differences of opinion between U. S. commerce department and the Pentagon.

Joint Communique

A joint communique said "Efforts were being made by the two governments to reach agreement on procedures which could meet legitimate U. S. security concerns as well as the needs of importers and exporters."

The news conference was also addressed by Dr. Bharat Ram, chairman of the Indian section, and Mr. Ramkrishna Bajaj, president of the Federation of Indian Chambers of Commerce and Industry (FICCI).

Mr. Freeman said he was assured by commerce secretary, Mr. Abid Hussain that India's policy of liberalisation and opening up of the economy would be accelerated.

Dr. Bharat Ram said the U. S. side, which consisted of 24 delegates, welcomed the opening up of the fields of telecommunication, oil exploration and electronics to the private sector in India. There was also a "perceptible change" in the attitude of U. S. businessmen towards India although a communication gap still existed.

Mr. Bajaj said the FICCI study had revealed that most of the Indo-U. S. collaborative projects were doing well, but not enough appreciation of it was there in the United States mainly due to a communication gap.

U. S. Reservations

The communique also referred to U. S. reservations on the restrictive provisions of the Indian Patents Act. It was explained by the Indian side that a committee had been appointed to review the act.

The JBC agreed that U. S. would disseminate information on sectoral opportunities in India to U. S. companies in the fields of telecommunications, petrochemicals, electronics and agriculture.

On the trade side, efforts would be made to acquaint us importers with opportunities provided by Indian exports of engineering goods, marme products, processed foods and garments.

To expand joint commercial R and D ventures, the council endorsed the proposed technology development fund. Mr. Freeman said the size of the fund, could run into tens of millions of dollars. But it would all depend on how the fund was to be made available to the private sector.

Technology Talks Deadlock

Bombay THE TIMES OF INDIA in English 2 Dec 84 p 9

[Text] Washington, December 1. Indo-U. S. negotiations on a "memorandum of understanding" for the transfer of sensitive U. S. technology have got deadlocked on the issue of on-site inspection. Americans demand that they should have the right to check and verify on site to ensure that the technology sold by them to an Indian firm is not being re-transferred to any other country, particularly a communist country.

While the government of India recognises the legitimate U. S. concern over the danger of re-transfer of sensitive technology, it is not prepared for that reason to concede to the U. S. an extra-territorial right to send inspection teams to the factory site of an Indian firm to carry out on spot checks. The government of India believes that such on-site inspection would impinge on Indian sovereignty and that it would also be unfair to the Indian firm that might eventually buy U. S. technology to be bound by the terms of an agreement to which it is not a party.

Attempts are being made both in Delhi and Washington to cross this hurdle. The government of India has offered to send out its inspection teams for an on-site check whenever there is a U. S. fear or suspcion that the technology sold to an Indian firm is being re-transferred or is in the danger of being re-transferred. The government has offered to carry out such checks to the satisfaction of the U. S.

In sum, India recognises the problem: all it wants is that the solution should be sophisticated and prudent so that it does not cause any embarrassment to either the government of India or to the Indian firm buying U. S. technology.

Several alternative solutions are being examined. Messages are passing between Delhi and Washington to seek such a mutually acceptable solution. On Thursday morning the U. S. ambassador, Mr. Harry Barnes, called at the external affairs ministry to make a counter-suggestion and the state department here gave one the impression that Mr. Barnes' offer would meet the Indian requirements and the memorandum would be signed in a day or two.

Computers' Purchase

But later in the afternoon reports from Delhi suggested that the American counter-offer did not measure up to Indian expectations and that the deadlock continued. Determined attempts for a solution are continuing.

Basically the memorandum of understanding would set the parameters within which the U. S. would be willing to sell its sensitive technology to India. The memorandum would also define the type of technology and the conditions governing the sale of technology. The memorandum would also cover defence-oriented technology.

More than 30 high performance computers, badly needed by India, are awaiting U. S. clearance which could come only after the memorandum is signed. In the absence of such a memorandum, the Indian purchase of sensitive computers and other such technology is subjected to a case-by-case approach. Each such purchase has to be cleared by the Pentagon, the commerce department and the department of state. This process is not only time-consuming (it sometimes takes years to clear a single purchase), it also makes the supplies uncertain and unbearably delays important Indian projects. The case-by-case approach has had a very adverse impact on India's efforts to buy U. S. military equipment because the Pentagon looks upon all such sales with suspicion.

Technology Meeting Report Denied

Madras THE HINDU in English 4 Dec 84 p 7

[Article by G. K. Reddy]

[Text]

NEW DELHI, Dec. 3.

There is no hitch at all over the interpretation or the application of the memorandum of understanding (MOU), initialled by India and the United States last month for regulating the transfer of highly sophisticated American technology in selective spheres.

It has been reported from Washington in a section of the Indian Press that a deadlock had arisen over the U.S. insistence on on-site inspection and India's refusal to agree to it.

The MOU is due to be signed early in the new year after the remaining formalities relating to procedures for sale, supply of ancillaries and access to related technological advances are settled to mutual satisfaction.

Basic U.S. concerns met: The draft memorandum, initialled by the Foreign Secretary, Mr.

M. K. Rasgotra, and the U.S. Ambassador, Mr. Harry Barnes, had met the basic American concerns about re-transfer to other countries like the Soviet Union of either equipment or technology acquired by India under this agreement. It had also provided adequate safeguards against any unilateral denial by the U.S. of spare parts or software for computers and other equipment sold to India on the basis of prospective American legislation or administrative decisions.

The U.S. Ambassador called on the Foreign Secretary before leaving for Washington on Thursday for consultations as a matter of diplomatic courtesy in accordance with established practice. He did not present any new proposals on the question of on-site inspection nor

had India found these proposals unacceptable, as reported from Washington.

Sending Indian team: He merely inquired when India would send an official team to Washington to settle the procedures for the sale and purchase of equipment, transfer of technology and other follow-up measures, taking into account, administrative and legal procedures of the two Governments. He was told that India would take some time to do so because of the present preoccupation with the parliamentary elections.

No hitch in finalisation seen: Otherwise, the Indian and U.S. officials who have been hand-

ling these negotiations in Delhi foresee no great difficulty in finalising these procedures before signing the agreement. They realise that a certain amount of delay was inevitable in the present circumstances until the Reagan Administration enters its second term and a new Government is formed in Delhi.

Meanwhile, the U.S. and Indian Governments continue to maintain complete secrecy over the details of the draft MOU initialled by them. But the use of the word, inspection, in any form had been scrupulously avoided in the draft because of India's firm refusal to agree to it.

Agricultural Research Collaboration

Bombay THE TIMES OF INDIA in English 2 Dec 84 p 9

[Text] New Delhi, December 1. The Indo-US collaboration in agricultural research and education is likely to be revived after more than a decade's gap.

A delegation of heads of US farm universities and the Board for International Food and Agricultural Development left India yesterday after having a series of meetings with their counterparts here on the possibilities of collaboration between the two countries.

The move is considered significant in view of the interest the two countries have shown lately in developing better relations in the field of science and technology. This is also viewed as another element in strengthening the overall bilateral relations.

Agriculture being the least controversial field, there are good prospects of the two countries agreeing to improve technology exchange. Moreover, India has made significant advances in agricultural research and there is a feeling that co-operation in this field can be of mutual benefit.

Joint Projects

Indications are that the USA may even consider investing on agricultural research and education in this country. Some joint projects may be taken up for simultaneous research in India and the USA.

The USA had played a significant role in the 1960s in assisting India in establishing agricultural universities on the American land grant pattern and in developing farm research infrastructure. But the official level collaboration in this field was snapped in 1971. The recent visit of the US team was the first step since then in re-establishing the link.

The U. S. delegation, headed by Dr. E. T. York Jr., chairman of the Board for International Food and Agriculture Development, included deans of six US agricultural universities besides Dr. Douglas Ensminger, former director of the Ford Foundation in India. It visited almost all the Indian farm universities and research institutes which earlier had linkages with the U. S. agricultural institutions.

The team also had discussions with the director-general of the Indian Council of Agricultural Research, Dr. O. P. Gautam, regarding the possible areas of collaboration. A similar Indian delegation is expected to visit the USA for further discussions.

According to Dr. York, a number of areas have been identified, where the collaboration between the two countries can be fruitful. These include biotechnology, agricultural climatology, integrated pest control and graduate training. Besides, there is scope for faculty exchange and reciprocal visits of distinguished agricultural scientists.

Giving his impressions about India's achievements in agriculture, Dr. York told this correspondent yesterday that it was "beyond expectations." India had developed an excellent programme of research, education and extension. "When I was here about 25 years ago, I could never imagine that India could be self-sufficient in food. But it has done it."

Another member of the team, Dr. W. Wayne Hinsh, associate director of Penn State University, said India has developed the infrastructure in 25 years, the kind of which was developed in 75 years in the USA.

CSO: 4600/1214

INDIA

SHEKHAR TELLS PRESS OF JANATA ELECTION MANIFESTO

New Delhi PATRIOT in English 6 Dec 84 p 7

[Text] Janata Party president Chandra Shekhar on Wednesday ruled out any possibility of Opposition unity even after the Lok Sabha polls.

Mr. Shekhar's observation came at a press conference releasing his party's election manifesto, which promised, among other things, a government "responsive to the people" and "respectful" to the Constitution and democratic freedom.

On the causes of failure of unity among the opposition parties, he said leaders of various political parties did not share common perspective. Besides personality clashes prevented them to come together.

He said the Congress-I was "dead with the death of Mrs. Indira Gandhi."

He said his party was contesting 209 parliamentary seats and hoped for "some kind of co-operation" with others to bring about the various reforms the manifesto promises.

The originally 26-typed-page manifesto, to which quite a few amendments were added later, rededicates itself to the task that the people had entrusted it in March 1977 when it was swept to power at the Centre.

But it has promised an overhaul of complete State apparatus, bring about a constructive change in the Centre-State relations, review the role of Governors, amend the Article 356 to "prevent its misuse", establishment of State level finance commissions to ensure "a fair share" of the State revenues to the panchayats and local bodies and holding of elections in

panchayats and local bodies under the purview of the Election Commission. In all, it proposes seven constitutional changes.

It would make it obligatory for the recognised political parties to have an inner democratic structure and submit audited accounts regularly and the state to fund the election expenses of the political parties and ban the defections. The manifesto also promises reduce the age of franchise to 18 years.

It claimed that it would severely curb the role of black money in the political life and make political constituencies co-terminus with

administrative divisions so that multiple tiers of democratic institutions oversee implementation of policies.

It promised to vest the Minorities Commission with statutory authority and powers of an enquiry commission and would establish such commissions at the State level.

On the economic front, the party would initiate a nationwide programme to save the problems of undernourishment. It would rationalise and integrate the functions of the National Development Council, the Planning Commission and the Finance Commission. Instead of appearing as an adjunct to the Centre the Planning Commission would be given an independent national status and made more responsible to the National Development Council.

It promises to modify methods of operations of financial institutions so that they did not breed regional disparities. The manifesto says it would not hesitate to review measures like octroi, income tax, multiple taxes if alternative ways could be identified for raising higher revenues.

It accepts the principles of non-alignment and rejected the politics of military blocs and will endeavour to strengthen the United Nations system.

However, it feels that the Central Government's intervention in the Indian Ocean, where the super power confrontation endangers "our vital security", has been "mild and half-hearted".

It pays a tribute to the Indian foreign policy as it describes it as "well perceived on the basis of non-alignment". But it criticises the Congress-I Government at the Centre as during the last five years, it had only adopted rhetorics.

The party is committed to an independent judiciary and a free press and would do everything in its power to enhance their dignity and autonomy, the manifesto says.

It charges that for the past five years, the country had a government "afflicted by acute

paralysis". It accused the ruling party of being responsible for emergence of "politics of violence and assassination".

Referring to the Punjab and Assam situations, it charges the Congress-I with "aimless provocation and procrastination fostered terrorism to tragic heights".

Mr Shekhar denied that he ever met Jarnail Singh Bhindranwale, despite the latter's wish to do so during his visits to Amritsar.

CSO: 4600/1211

INDIA

PAPERS REPORT, COMMENT ON CONGRESS-I MANIFESTO

Summary of Contents

Bombay THE TIMES OF INDIA in English 6 Dec 84 pp 1, 9

[Text] New Delhi, December 5, The Congress Party today pledged to secure the unity of the country and shifted its emphasis from the 1980 slogan of "the government that works" to the party that would provide the nation "a clean government".

The Congress manifesto, formally released today by the party working president, Mr. Kamalapati Tripathi, pays handsome tribute to the slain Prime Minister, Mrs. Indira Gandhi, and projects Mr. Rajiv Gandhi as "a young and dynamic leader who symbolises the aspirations of our people for stability, continuity and change."

Answering questions from newsmen, Mr. Pranab Mukherjee, finance and commerce minister and member of Congress election manifesto committee, said that the manifesto made no mention of any change in the form of government because no such change was contemplated.

"C. D. S. Abolition"

Pointing out that a debate on the introduction of a presidential form of government had not even begun outside the Congress, he stated: "That is not an issue in this election. We are committed to the parliamentary form of government and we are seeking the mandate of the people on this very system."

The manifesto was silent on the abolition of sales tax because, as Mr. Mukherjee put it, "we have already burnt our fingers on this issue." Although the government had taken up the matter with states, none of the chief ministers was in favour of abolishing sales tax.

One of the major promises made in the manifesto to which the minister drew attention was the abolition of the compulsory deposit scheme (CDS) for taxpayers. He also held out the promise of rationalisation of the taxation system to reduce the tax burden on the middle and lower-income groups.

On foreign policy, he said India, as chairman of the non-aligned movement (NAM), would continue to champion the cause of the third world and continue its

commitment to the policy of non-alignment "not genuine non-alignment, (a phrase used by the opposition) but plain and simple non-alignment." India's policy was: "Friendship with all and animosity with none."

On Punjab and Assam, he explained that the problems that were a symptom of a disease which "we have successfully prevented from spreading." The confinement of the problems to these two states and ensuring there was no spill-over was by itself a positive gain, he claimed.

The manifesto promises to fight corruption in all spheres of public life by taking measures such as building a consensus in the financing of political parties, taking strong measures against economic offenders and promoting an ethic of austerity and simplicity.

It reiterates the party's commitment to the speedy removal of poverty, reducing the percentage of the people below the poverty line to less than ten by 1994-95, propagating the norm to bring down the net reproduction rate to one by 2000 A. D. and giving high priority to tackling unemployment.

On the absence of any mention of stopping political defections, Mr. Mukherjee said that this was deliberate. A consensus was needed on the issue among all political parties. The Congress could not do it by itself. The Janata attempted a ban on defections but there was no agreed approach within that party. The Congress had worked on this matter through select committees of the cabinet, of which Mr. Mukherjee was a member and "we have tried to narrow it down."

At the outset, Mr. Mukherjee explained that the manifesto could be broadly divided into three categories. The first part explained the philosophy, policies and programmes of the party and the backdrop to the eighth Lok Sabha elections being held this month, the main aspect being the brutal assassination of Mrs. Indira Gandhi. The second part dealt with the promises made on the eve of the 1980 poll and the performance and achievements of the government in the last five years. The third comprised the new promises to be implemented if the party was voted back to power.

Mr. Shrikant Verma, party publicity co-ordinator said this was the first time in 20 years that the party manifesto was being released in the absence of Mrs. Indira Gandhi. The manifesto describes her as one of "the greatest leaders of the 20th century, whose immortal spirit will inspire succeeding generations."

"Courteous Service"

Present at the news conference were Mr. G. K. Mooppanar, Mr. A. K. Antony, general secretaries, Mr. Sitaram Kesri, treasurer, and several party leaders.

Portraits of Mahatma Gandhi, Jawaharlal Nehru and Mrs. Gandhi, Jawaharlal Nehru and Mrs. Gandhi in a blaze of party flags formed the backdrop for the news conference held in a shamiana pitched on the lawns of the AICC headquarters at 24, Akbar Road.

The slogan of "Indira Ki Antim Ichchha, Boond Boond Se Desh Ki Raksha" was also displayed prominently.

UNI adds: In its future programme, announced in the manifesto, the party promises to: Ensure prompt, courteous and efficient service from government and quasi-government agencies; take all possible measures to speed up decision making; curb unhealthy politicisation of government services; and institute an effective mechanism for redressing the grievances of the people and make merit and performance important criteria for advancement.

Announcing its decision to fight corruption in all spheres of public life, the party says it will: Build a consensus on the financing of political parties and translate it into legislation; take strong measures against tax evasion, smuggling and other economic offences; and review and strengthen existing procedures and mechanisms for detecting and punishing corrupt practices and promote the ethics of austerity and simplicity.

In implementing the seventh five-year-plan, the party promises to aim at a growth rate of more than five per cent per annum.

Preliminary calculations suggest that for achieving this growth rate, a public sector outlay of Rs. 180,000 crores would be required.

Industry Policy

"The Congress pledges itself to implement a big and bold plan to give substance to the slogan--food, work and productivity," the manifesto says.

The party will formulate a new policy frame work to deal with "sickness" in textile, jute and engineering industries.

They would be made economically and commercially viable to protect the vital interest of labour and to ensure optimum use of national resources, the manifesto says.

As regards the public sector, the manifesto promises to: Continue the strategy of regarding the public sector as the main instrument for stepping up the rate of industrialisation, and for reducing concentration of wealth and power; modernise the public sector to increase its efficiency and productivity; and bring the public sector into new areas of sophisticated technology and use the public sector to meet more effectively the demand for mass consumption goods at reasonable prices.

In a more comprehensive implementation of the 20-point programme, the party will: Provide productive assets to the poor through effective land reforms and other measures, specially the integrated rural development programme; and revitalise the panchayat institutions at different levels to give them the major responsibility for development and welfare programmes and to ensure the people's participation.

PTI adds: The Congress will continue to safeguard educational, religious and cultural rights of the minorities.

It reiterates its policy of noninterference with the personal law of the minorities.

In 1980, the Congress promised that Urdu would be recognised in some states as a second language. Urdu has already been accorded second language status in Bihar. Similar action will be taken in other states.

The party will introduce meaningful changes in the educational system, linking education to national integration and to development. It will achieve universal elementary education for the age group 6-14 by 1990.

It will generate suitable programmes to improve the physical infrastructure of primary education and will locate technical institutions in rural areas to bring new and relevant technology nearer to the people.

The Congress will implement the strategy to achieve the goal of "health for all" by 2000 A. D. It will expand and improve primary health care in rural areas and reorganise the health delivery systems to improve the quality of service.

On family planning, the party will work towards bringing down the net reproduction rate of 1 by 2000 A. D. It will propagate the 'two child' norm and will reduce drastically the infant mortality rate.

The party will implement a national plan of urban development and housing and double the rate of construction of housing units during the next 5 years.

For Working Class

The party will continue the emphasis on the social, economic and educational development of scheduled castes and introduce larger number of beneficiary-oriented programmes for raising their incomes.

The Congress will ensure for the working class steadily-rising levels of real income--based on rising productivity.

The party will conserve India's ancient heritage and encourage craftsmen who are carrying on centuries-old asthetic traditions.

It will enable the poor and the down-trodden to have access to the judicial system for justice and will enact a comprehensive legislation to place on a sound footing the scheme for legal aid to the poor.

Concern Over Voter Apathy

Madras THE HINDU in English 6 Dec 84 p 1

[Article by G. K. Reddy]

[Text]

NEW DELHI, Dec. 5.

A disconcerting factor that is perplexing the Congress (I) poll managers is the absence of any great public excitement over the elections. The campaign itself will reach its climax in the next two weeks, but there is no evidence of a matching involvement of the electorate in it.

In 1977, the voters were deeply stirred by a sense of anger and outrage over the Emergency excesses, while in 1980 the suicidal squabbles helped bring the Congress (I) back to power with a bang as the only viable alternative open to the people.

The Congress (I) leaders are worried that if the present mood of indifference continues to prevail till polling day, it could lead to a lower turn-out of voters in many of the constituencies without keen contests to enliven the electoral atmosphere. But experience has shown that a poor turn-out is to the advantage of the party in power, especially in the countryside.

The Opposition has traditionally benefited only when the anti-hill has been stirred up by some strong emotions, not in normal circumstances when communal and caste factors tend to overshadow ideological and other considerations even when qualitatively superior candidates are fielded by it.

Sympathy wave: The Congress (I), on the other hand, has been hoping to harness the sympathy wave generated by Indira Gandhi's assassination, to buttress the image of the new leader, Mr. Rajiv Gandhi, with the promise of a new beginning to capture the imagination of the people. The ruling party has put up new candidates for roughly half the 496 seats it is contesting, but all of them are not genuinely new faces in the sense that they are newcomers to politics with a relatively clean image.

The Congress (I) has dropped only one-fourth of its sitting members, which means that roughly 270 of its 350 odd members in the outgoing Lok Sabha have been given a party ticket. So the party has chosen new candidates for the remaining seats representing nearly 50 per cent of the total number, but many of them are old sinners, as some critics put it, who contested but lost in the 1980 elections.

The new faces put up by the Congress (I) are not proportionately any more than those being fielded by the Opposition parties contesting fewer seats. The induction of a few film stars, besides some newcomers like ex-civil servants, has not really helped to burnish the image of the Congress (I), which is obliged to rely almost exclusively on Mr. Rajiv Gandhi's

personality for its new look during the current campaign.

Harping on old themes: The Congress (I) election manifesto released today has not broken any new ground other than harping on the old themes of unity, stability and cohesion, besides promising to uphold democratic values, strengthen the rule of law, preserve freedom of the press and ensure social justice, while fighting the evils of communalism, secessionism and violence.

The only new thing in the manifesto is the promise to fight corruption and provide a clean government, but it did not highlight this assurance, lest it be misconstrued as an indirect admission of the prevalence of this curse in Mrs. Gandhi's time.

The Opposition parties in the Hindi belt, seized by a death wish as it were, have not been able to engage the Congress (I) fully even in this verbal warfare to enliven the electoral atmosphere. They are by and large content with a repetition of borrowed phrases to sustain the bluff and bluster of their brave postures.

Janata's claim: The Janata Party president, Mr. Chandra Shekhar, claimed today that his party would sweep the polls in Orissa and Karnataka, while releasing its manifesto at a press conference. He said rather melodramatically that the Congress (I) died with the death of Mrs. Gandhi, implying that nothing was now left of it. He argued that men like Mr. A. R. Antulay, to whom he has been extending the benefit of doubt, were creatures of the "corrupt Congress regime" meaning that their infractions could not be judged in isolation.

The only other national party that has so far come out with its manifesto is the BJP which has also failed to set the Ganga on fire with its promise of new polity, a new leadership and a new government to preserve democracy, uphold secularism and pave the way for orderly development.

The CPI has issued an appeal to the voters but not yet come out with a manifesto, while the CPI (M) is still working on a detailed presentation of its policies and promises.

INDIA

INDIA WANTS TRADE WITH USSR INSTITUTIONALIZED

Madras THE HINDU in English 4 Dec 84 p 9

[Text]

NEW DELHI, Dec. 3.

Indo-Soviet trade talks began here this evening with India calling for permanent institutional arrangements to ensure that the trade between the two countries grew and the Indo-COMECON trade relations were strengthened.

It was through such institutional arrangements that the long-term requirements of both countries could be measured and each could manufacture items required by the other instead of trading in surpluses only, Mr. Abid Hussain, Commerce Secretary, said. According to him, this approach gained special relevance in view of the fact that both India and the USSR were formulating new five-year plans and could adopt it in the long-term development programmes and policies.

The leader of the USSR delegation, Mr. I. T. Grishin, Deputy Minister of Foreign Trade, endorsed these views and noted that the rate of growth of trade between the two countries was three times that between the USSR and any other country.

He wanted the trade not confined to exchange of goods. In his view India and the USSR could cooperate in setting up turnkey projects.

Detailed discussions will take place between the official-level working groups headed by Mr. A. S. Chatha, Joint Secretary in the Ministry of Commerce, and by Mr. G. P. Semenikov, Deputy Head of the Soviet Department of Trade with Asian Countries.

CSO: 4600/1213

INDIA

JAPANESE DELEGATION MEETS WITH INDIAN BUSINESSMEN

Bombay THE TIMES OF INDIA in English 2 Dec 84 pp 1, 9

[Text] Bombay, December 1. Mr. Goro Koyama, leader of the high-power Japanese economic mission, said here today that he was impressed by the stability of the country's politics and the smooth transition of the government soon after the tragic death of Mrs. Indira Gandhi.

"We in Japan appreciate that India has a very large economy, which is stable," he said.

At a meeting arranged by the Bombay Chamber of Commerce and Industry, Indian Merchants' Chamber, and ASSOCHAM, Mr. Koyama stressed the need for improving trade between the two countries. He said the trade, which was U. S. \$500 million ten years ago, had risen to \$2.5 billion in 1982.

He felt that India should undertake vigorous market research in Japan and find out consumer preferences and diversify its exports. Exports to Japan from India at present consisted of iron ore, prawns and diamonds, whereas imports from Japan were steel parts and machinery items.

Captains of Indian industry assured the mission that the trend of liberalisation was a long-range and well-thought out policy of the government as indicated by the measures taken recently.

Mr. M. S. Patwardhan, president of ASSOCHAM, explained that the liberalisation policy began as early as 1978, and there was confidence that this would continue in the future. He stated that the Monopolies and Restrictive Trade Practices Act had been one major cause of delay in getting licences.

He pointed out that the present government had already separated the company law department from the law ministry and moved it to the ministry of industry. This should solve a number of problems once faced by the industry.

Dr. A. S. Ganguly, president of the Bombay chamber assured the Japanese team that any Japanese company having difficulty in dealing with the Indian authorities would be assisted in every way to remove hurdles.

Mr. Koyama said that the industrial base in India was quite large and there was a large pool of scientific personnel. He pointed out that although Japan

had increased its investments in India recently, these were still at a low level compared to the investments in other countries. Japanese businessmen still had some problems in the investment environment in India. "The criteria for judging of an investment by India is not clear," he remarked.

The Japanese team heard four presentations, the first one on the broader issues of economic relations from Mr. M. S. Patwardhan, the second on the engineering industry from Mr. S. G. Padhye, the third on legal aspects of investing in India from Mr. D. B. Engineer, and the fourth on the Indian economy from Mr. J. C. Chopra.

Mr. Koyama pointed out that although Mr. Engineer in his presentation indicated that with patience, the procedure of remittance of dividends could be fully met, it took much time, and this would mean that investments would be low.

Foreign Equity

Mr. Koyama said that another problem was the ratio of foreign equity in companies. Productivity and industrial relations problems were also mentioned by him as deterrents to investment.

Foreign Equity

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Mr. Ashok B. Garware, pointed out that procedural problems bugged not only India but also Japan. He suggested that multiple entry visa should be granted to Indian businessmen visiting Japan. Mr. Garware said that the Indian businessmen could not meet the Japanese manufacturing companies directly, since the trading companies stood in between.

Mr. Saburo Aoki, co-leader of the mission, said that Indian companies should be prepared to face international competition in price, quality and delivery, while exporting to Japan.

Mr. Aoki suggested that Indian companies should undertake market research with the help of Japanese companies.

The Indian side raised many questions, which were answered by the Japanese team.

Mr. Masayoshi Naito, chairman Toyo Engineering Corporation, said that free trade zones in India had to compete with such zones, elsewhere in South East Asia, and the important requirement for their success was access to the local market. Mr. Naito said that absorbing of technology by the local people would hardly be possible without catering to the local market.

He said the government of India had only recently allowed 25 per cent of the output in the free trade zone in the local market and that too after paying all

applicable duties. He felt that this was not adequate to encourage production for exports.

Rounding off the discussions, Dr. A. S. Ganguly said that the meeting was only the beginning. He assured the Japanese team that the Indian businessmen looked to the future with great optimism.

Talking to newsmen later, Mr. N. K. Singh, minister (economic and commercial), embassy of India in Tokyo, said that although this was a 'consciousness' visit of the mission, he expected the leaders of business to go back with a realistic assessment of the Indian situation. This would improve prospects for greater economic collaboration between the two countries.

Mr. Singh said a fundamental change in the direction of the economic relations between the two countries was expected. Japan could assist us by creating a technical revolving fund and data exchange banks.

The mission called on the governor of Maharashtra, Mr. I. H. Latif, "Koyama is a mighty mountain comes to India we are naturally delighted" said the governor while receiving the leader of the Japanese delegation.

Describing Japan as an industrial giant not only of Asia but also of the world, the governor said there could be meaningful collaborations in many fields between Japan and India, especially in the fields of utilisation of solar energy, bio-gas and fisheries. He assured the team all help from the government of Maharashtra.

CSO: 4600/1214

INDIA

PRESS REPORTS ON FOURTH ANTARCTICA EXPEDITION

Departure on 4 Dec

Madras THE HINDU in English 5 Dec 84 p 16

[Text]

MORMUGAO (Goa), Dec. 4.

The fourth Indian expedition to the Antarctica on board the "Finn Polaris" sailed off from Mormugao harbour at 6-15 a.m. today.

The 82-member expedition led by Dr. B. B. Bhattacharya, Director, Indian School of Mines, Dhanbad, is expected to reach Antarctica on the Christmas day after a brief stop-over in Mauritius.

During their stay on the continent till mid-1985, the team will be conducting numerous studies and experiments in various fields including seismology, geology and biology.

The expedition will also establish a new communication link between India and "Dakshin Gangotri", the country's first manned station located on a huge ice-shelf through the indigenous satellite INSAT-1B.

For the first time a group of six members from the expedition led by Lt. Col. Bajaj will trek down to the South Pole which is about 6,000 km. away from the "Dakshin Gangotri".

Apart from the scientific instruments, the 110-metre long and 30-metre wide, "Finn Polaris" is carrying an 18-tonne crane, a garage structure, 300 tonnes of stores for the garage, 30 tonnes of materials for alternate accommodation and 40 tonnes of food.

The 60 x 10-metre garage built by the Army engineers will be installed near "Dakshin Gangotri" to house cranes, snow cutters and other vehicles to be used on the continent.

The expedition costing about Rs. 5.8 crores is expected to bring about many fruitful results of the studies on the chances of exploiting the rich mineral and marine resources on the continent.

The communication link to be established will result in considerable saving as the cost of the present satellite link comes to about Rs. 120 per minute.

As a sequel to the studies conducted by previous expeditions the fourth expedition will also be exploring the chances of mining minerals including uranium, from the continent.

Drawn from various institutes and organisations like the National Institute of Oceanography (NIO), the Meteorological Department of India, Geological Survey of India, the Bharat Heavy Electricals Limited and the armed forces, the team consists of a photographer, four doctors, engineers and scientists.

One more scientist, Dr. Sheewant Bhoojedar will join the team at Mauritius along with two German technicians. — PTI.

New Projects Planned

Bombay THE TIMES OF INDIA in English 1 Dec 84 p 8

[Article by M. J. Kamalakar]

[Text] Panaji: The fourth Indian expedition to Antarctica, which would be leaving here shortly with 82 members, would work on at least three fresh projects, including one on establishing a new communication system, the expedition leader, Dr. Bimalendu Bhusan Bhattacharya, head of the Indian School of Mines, Dhanbad, said in an interview on Thursday.

Dr. Bhattacharya said that seven geophysicist members would work on resources exploration. Thirdly, a molecular biologist would be studying krill genetics.

So far, communication with home was via the INSAT-1B which in turn had to operate via Inmarsat. The cost at Rs. 120 per minute was prohibitive. Communication engineers of the Indian Navy, who will be in charge of the new pattern, will be carrying with them both indigenous and imported equipment for the purpose. The communication links will be to and from India as well as the base and work camps.

Ice Thickness

Dr. Bhattacharya said the geophysicists would study the thickness of ice which at its maximum could be 4.2-kilometre-high and at the minimum 1.8 kilometres. He said considerable seismic work would have to be done for discovery and determination of mineral and other resources.

He said Dr. Sisinthy Shivaji, of the Centre for Cellular and Molecular Biology, Hyderabad, was going to study krill and zoo plankton genetics.

The expedition would aim at studying alternative sources of energy also. For example, if solar panels could be built to tap the six-month-long Antarctic summer, it would reduce the consumption of petrol.

Dr. Bhattacharya said the icy continent was also the windiest, with wind speeds up to 250 km. per hour. The expedition would explore the possibility of using windmills to generate electricity.

It would also make studies on fire-preventing paints and polymers since the risk of fire was heavy. Much wood was being used for the construction of quarters and other structures. There was also highly combustible fuel.

Dr. Bhattacharya disclosed that Lt.-Col. J. K. Bajaj of the army would lead the probe to the South Pole, work out routes and future assault strategies. The army would try to establish advance fuel dumps for the conquest.

The hectic schedule is because time was running out on the Antarctica treaty which is due to be revised in a few years. India, which is already a member of

the Antarctica Club, does not want to be "left out in the cold", from the standpoint of exploiting mineral and other resources.

The army has contributed the largest contingent of 30 because it is responsible for setting up three huts at various sites, in each of which four people can live and work comfortably. A large garage will also be built for snow scooters, snow dozers and piston bullies, besides a helipad. (There are four helicopters--two of the navy and two of the air force).

The navy, though having a few members only, has been entrusted with jobs such as medical aid and domestic chores. As earlier, navy boys would be flying and ferrying men and material. Importantly, the navy is sending an ice navigation specialist to acquire expertise for an Indian ship which is due to be pressed in for expedition four years hence.

The outgoing naval chief, Admiral Dawson, has sent a touching message for the expedition, noting the rapid rate at which the activity is being carried out. He also notes that this has been made possible by the late Prime Minister, Mrs. Indira Gandhi's foresight, "I wish the fourth Antarctic expedition a happy sailing, successful season and safe return home."

The Indian Meteorological Department is sending a data collection platform (DCP) on an experimental basis. There are 24 such platforms on land. For the first time, it will be tried out at sea and later on the icy continent.

The expedition team includes Dr. Seewant Bhoojdhur of the School of Agriculture, University of Mauritius.

Treaty Opposed

Bombay THE TIMES OF INDIA in English 1 Dec 84 p 8

[Text] United Nations, November 29 (PTI): India has expressed its opposition to any attempt to alter the Antarctic Treaty, arguing that it could lead to international discord and instability as well as the revival of conflicting territorial and other claims.

The Indian government's view was conveyed to the political and security committee of the general assembly yesterday by Mr. Vinav Verma, deputy permanent representative to the United Nations.

Mr. Verma said it would be "unrealistic and counter-productive" to think of a new regime in the present situation.

India is among the 16 consultative parties to the Antarctic Treaty system. It secured that position in September last year.

CSO: 4600/1209

INDIA

REGULATIONS FOR IMPORT OF COMPUTERS EXPLAINED

Madras THE HINDU in English 20 Nov 84 p 11

[Text]

NEW DELHI, Nov. 19.

Research and development units recognised by the Department of Electronics (DOE), will be allowed import of designs and drawings for manufacture of computers and computer systems on Open General Licence (OGL). Import of designs and drawings, systems software and utility software will be initially permitted for manufacture and later regulated by phased manufacturing programme and raw material clearance.

Import of software, where allowed, will be preferably in the form of "source code". Encouragement will be given to central purchase of "source code" of software and distribution within the country.

Components not manufactured in the country and which are not expected to be manufactured in the near future, will be identified and permitted to be imported at very low levels of duty. For other components manufactured in the country or can be manufactured within a short period, manufacturing facilities will be allowed to be set up taking advantage of economies of scale. Such components will be protected from imports with sufficiently high protective duty.

Protective duty: Computers manufactured in the country will be protected from imports through fiscal measures like high protective duty levels. Procedures will be evolved to make indigenous manufacturers competitive with respect to imports by educational institutions, R and D organisations, defence establishments and other bodies for which direct import of computers do not attract duty.

Application of computers in any social or economic sector will be promoted by encouraging setting up of systems engineering companies in the public and private sector, without undue constraint as long as the computers and computer sub-systems are bought from indigenous sources.

Import of computers, computer-based systems and sub-systems for integrating with an imported Central Processing Unit (CPU) will be permitted only to actual end users. Actual users will be permitted to import standardised

EDP (Electronic Data Processing) systems as complete systems costing less than Rs. 10 lakhs c.i.f. on the basis of liberal procedures by paying a sufficiently high protective duty. This will become effective on April 1, 1985 when the duty rate will also be announced.

For import of computers and predominantly computer-based systems, costing more than Rs. 10 lakhs c.i.f. the actual user will be required to apply to the DOE which will examine the application from the point of desirability, essentiality and indigenous availability.

Standardised list: If the use of computer is desirable and is not available indigenously, the user will be permitted to import from a standardised list to be announced periodically by the DOE. This list will contain between 12 and 18 models and will be periodically updated. The standardised list will be maintained to enable the advantage of bulk purchase and facilitate maintenance and exchange of software.

The imports, cleared by the DOE on this basis, will attract duty at 60 per cent. Where import of computers or computer sub-systems are needed as part of a justified proprietary purchase, or any special purpose computer is not available from indigenous sources, clearance of the DOE will be necessary. Then, the user will be free to negotiate directly and take all further procurement action.

Import of application software not available commercially will be permitted to actual users with low duty levels on a case-to-case clearance by the DOE. The actual user may also avail of the facility with a sufficiently high protective import duty for any software after informing the DOE. In addition, where possible, the DOE will arrange for centralised import of software for distribution to manufacturers and users on a no-profit no-loss basis.

Maintenance of imported computers and predominantly computer-based systems will be done either in house by actual user or by the CMC (Computer Maintenance Corporation) Limited or by any other agency designated by the DOE. The DOE designated agency or the CMC or the user responsible for the maintenance of imported computer systems will be permitted to import spares, tools, test equip-

ment and software support for warranty maintenance.

A software development promotion agency will be set up to give an impetus to the growth of manpower intensive software development efforts for both exports and local requirements including import substitution as an integrated effort.

Procedure streamlined: Procedures for clearing applications for manufacture and import have been streamlined and simplified. There will be a single window — inter-ministerial standing committee (IMSC) — headed by the DOE to screen and clear applications for manufacture and import. According to Dr. Seshagiri, Additional Secretary in the DOE, all applications will be cleared within two months. If any application is not rejected in two months, it will be deemed to have been cleared.

Meanwhile, notification was issued by the Finance Ministry reducing customs duty for import of computer and computer parts. For parts for manufacture of peripherals and microprocessor-based equipment, the duty has been reduced from 80 per cent to five per cent. This is expected to bring down substantially the cost as 58 per cent of the cost of computer is accounted for by peripherals.

For import of software in "object code" in any media the duty has been reduced from more than 100 per cent to 60 per cent, while the duty for import of software in "source code" as printed matter on paper has been completely waived. Software in "source code," other than as printed matter on paper will attract duty at 60 per cent.

For floppy disk drive, Winchester disk drive, and serial printers including dot matrix and daisy wheel printers, the duty has been reduced from 75 per cent to 60 per cent. For line printer, paper tape reader, paper tape punch, card reader, card punch, magnetic tape/cassette/cartridge drive, printer plotters, digitisers and magnetic disk drive other than floppy disk drive and Winchester disk drive, the duty has been reduced to 25 per cent from the level ranging from 75 per cent to 164 per cent. For computers, the import duty has been reduced from 135 per cent to 60 per cent.

CSO: 4600/1193

INDIA

ANALYST DISCUSSES 'STYLE' OF RAJIV GANDHI

Madras THE HINDU in English 25 Nov 84 p 2

[Article by G. K. Reddy]

[Text] The first phase of election process will end on Tuesday, November 27, the last date for filing nominations. The three-week campaign will then start in right earnest with all and sundry letting off a lot of steam to enliven the atmosphere with melodramatic postures and extraordinary promises. Otherwise, the campaign itself will be conducted on a relatively low key since no lofty issues are involved in the elections.

The tempo cannot be built up with empty rhetoric, with image politics or personal platitudes, in the absence of any great emotions at work to stir the people and influence their electoral attitudes. The death of Indira Gandhi has certainly brought about a qualitative change in the Indian mood in the sense that even those who were highly critical of her policies and actions are now missing her presence as the country goes through the ordeals of transition. The people have been conditioned in one form or the other, both politically and psychologically to look upon her as an inseparable part of Indian life, with the result that her admirers as well as critics are equally swayed by a deep feeling of remorse and shame over her brutal assassination.

Strong and Weak Point

Those in charge of the Congress (I) campaign find it extremely difficult to evolve an electoral appeal with an imaginative blend of the prevailing sympathy and admiration for Indira Gandhi and a matching projection of Mr. Rajiv Gandhi as a young, promising and dedicated leader capable of giving the country a clean and efficient government. Those who still retain nostalgic memories of Indira Gandhi's charismatic and controversial personality and the qualities of leadership she displayed during the turbulent years of her rule have not yet got used to the style of Mr. Rajiv Gandhi, who succeeded his mother largely because he was her son, making his lineage both his strong and weak point.

The campaign managers have not been able to coin so far any catchy slogan to make the right impact on the minds and hearts of the people to commend Mr. Rajiv Gandhi's qualities of leadership and his capacity to govern this complex country beset with many baffling problems. The talk of continuity and change,

that India is indivisible, that it is one nation and one people, is not enough by itself to get the message across to the masses that the new Prime Minister is gifted with the right instincts and correct perspectives to steer the country through these troublous times and usher in an era of orderly progress and discipline that goes with it.

Management Techniques

The absence of clarity of purpose and thought is compelling the Congress (I) strategists to seek professional advice of public relations outfits to bridge this gap in their campaign strategy and acquire a decisive edge over the Opposition. The point that is conveniently overlooked by the smart alics in Mr. Rajiv Gandhi's camp is that in a country of abounding contrasts like India, which remains steeped in the cow dung era despite its great leap forward into the atomic age, it is not possible to apply the latest management techniques to the feudal environment of Indian politics conditioned by religious and regional influences with very little scope for an ideological approach to issues of national welfare.

The best way of projecting Mr. Rajiv Gandhi during this campaign would be to make the new broom effect felt in selective spheres, within the limited time at his disposal before the parliamentary poll, to assure the people that, if he is voted to power in his own right with a proper mandate, he could be depended upon to take suitable steps to sanitise the country's polluted public life and improve the quality of administration. But the party campaign managers are inclined to opt for the easier alternative of resorting to mass politics by relying heavily on the sympathy vote in the belief that the people who are mourning Indira Gandhi's death could be easily persuaded to vote for her son as one way of paying their homage to her.

The sophisticated argument that Mr. Rajiv Gandhi is capable of providing a better government by shedding the hang-overs of the past, it is contended, would appeal only to the urban intelligentsia which in any case cannot be expected to vote solidly for him, while a more sentimental approach of imploring people to honour Indira Gandhi's memory by voting for her son would make a better impact on the rural electorate.

The disinclination of Mr. Rajiv Gandhi to deny the Congress (I) ticket to many of the odious characters in the party who have tarnished its reputation, after all the brave talk of jettisoning the corrupt and the incompetent to make way for more honest and upright candidates, is sought to be explained away with the apologia that the first priority at this moment is to win the elections at all costs to give him a breathing spell to chart out his course of action for cleansing the country's political system.

It is to get this message across to the opinion setters that the word is being passed around privately that, after consolidating his position, Mr. Rajiv Gandhi might dissolve the new Lok Sabha before long at a politically opportune moment and go in for a snap poll to bring into parliament men and women of better quality. But this sales talk will not help to carry conviction, or close the credibility gap, if the new Prime Minister continues to play favourites, allowing his confidants to throw their weight around, manipulating party politics and interfering with vital governmental decisions. The process of cleaning up the corrupt and corroded political system that he has inherited must start in the Augean stables left over from his mother's time.

What the country needs is not just a government that works, a leadership that ensures continuity and a political dispensation that can prevent disintegration, but also a hierarchy that can resist the pressures and temptations of communal politics, uphold the country's secular ideals, and strive resolutely to root out inefficiency and corruption. It is not necessary for the Congress (I) to overstress the obvious fact that Mr. Rajiv Gandhi is, Indira Gandhi's son and chosen successor, by appealing to the people in direct or devious ways to vote for him through a brazen exploitation of her name.

It is enough to focus attention on the basic reality that as an earnest and wellmeaning young man with no odious past to live down, as one who was chosen after Indira Gandhi's assassination to ensure continuity in the absence of a better alternative acceptable to the party and the country at that critical moment, Mr. Rajiv Gandhi deserves a change to prove his mettle. The opposition parties are rightly infuriated by the sickening attempt of the official media to sustain the sympathy wave and prevent it from running out before the elections.

The promise of a new beginning by the new Gandhi, not just the talk of what he might do to ensure continuity if he is voted to power in his own right, would do more to harness votes for him than the pretence that a vote for him would, indeed, be a vote for Indira Gandhi's memory, that it would be a fitting tribute to what she had done for the country and that he alone could uphold the Nehru tradition as one born into the Nehru family and not just grown under its influence. The dynamics of change in these rapidly changing times call for a changed approach to the country's problems, not a fossilised approach to public welfare.

Poise and Dignity

As a young and well-meaning Prime Minister with tremendous responsibility thrust on him, suddenly in tragic circumstances long before he was ready to shoulder it, Mr. Rajiv Gandhi has been able to generate his own wave of sympathy which has helped him to get over this shock of succession. It is not merely the sycophants in the Congress (I) but many in the Opposition parties also who have been speaking in appreciation of his poise and dignity, moderation and tolerance. It is this aspect of the new Gandhi that needs to be highlighted by the Congress (I) campaign managers, not his indispensability or infallibility, to commend him to the people.

The divided opposition, in total disarray despite its partial success in forging electoral adjustments to confront the Congress (I) in straight contests in as many constituencies as possible, has failed deplorably in at least looking like a plausible alternative to continued Congress (I) rule. It is not merely the paucity of resources but also bankruptcy of ideas that has driven the Opposition parties to self-destructive and suicidal squabbles.

Nothing is more damaging to political parties than to become irrelevant in the country's public life, to be looked down as objects of ridicule than serious contenders to power capable of offering effective opposition with superior ideas when they do not have the numerical strength in Parliament to act as a

strong check against imuses of power by the Government. It is India's misfortune that after even three decades of its independence the country has not been able to evolve a proper party system based on a synthesis of its democratic procedures and traditions. And the present Lok Sabha elections are serving only as a distressing reminder of the plight of Indian democracy and the inability of the country's leadership to rise above the rut of narrow party politics in the larger national interest.

G. K. Reddy from New Delhi

CSO: 4600/1195

INDIA

GOVERNMENT MAY ADVANCE STATE ASSEMBLY ELECTIONS

Madras THE HINDU in English 4 Dec 84 p 1

[Article by G. K. Reddy]

[Text] NEW DELHI, Dec. 3

If the Congress (I) is returned with a comfortable majority in the parliamentary elections, it intends to advance the Assembly poll in Bihar, Uttar Pradesh, Madhya Pradesh, Gujarat, Orissa, Rajasthan and Maharashtra, which is due to take place in June next in the normal course.

The non-Congress (I) Governments in nine States, including Tamil Nadu, were dismissed after Indira Gandhi was voted back to power in 1980 with a big margin.

The Election Commission had suggested at one stage that it would be desirable to have the elections in all these States along with Lok Sabha poll to avoid duplication of administrative arrangements, since the two elections were due to take place within six months on completion of full terms by the respective Assemblies and the Lower House of Parliament. But the Centre did not favour the idea of holding the two elections together, since it was felt that the outcome of the Lok Sabha poll might be affected by adverse voting in the State elections.

New thinking: After Tamil Nadu was permitted to have a simultaneous Assembly poll along with the Lok Sabha elections as a special case, the Telugu Desam Government in Andhra Pradesh was allowed to seek dissolution of the Assembly and go in for fresh elections soon. Now the thinking at the Centre is that if the Congress (I) fares well in the Lok Sabha elections, it would be advantageous to the ruling party to advance the impending Assembly elections in Bihar, UP, MP, Gujarat, Orissa, Maharashtra and Rajasthan.

The intention is to go to the polls in these seven States in early March and advise Andhra Pradesh also to have its Assembly elections at the same time. The only other State where Assembly elections are due in June next is Punjab, which is under President's rule at present.

As no Lok Sabha elections are being held

in Assam and Punjab because of disturbed conditions in these two States, it is unlikely that President's rule would be ended for ushering in a popular Government in Punjab by June next, if not in March itself, to enable it to go to the polls along with the other eight States.

Sympathy wave: The current thinking in high Congress (I) circles is that, if Mr. Rajiv Gandhi manages to get a mandate of his own with an impressive margin, he should take advantage of the euphoria generated by it to go in for early Assembly elections in these States, before the sympathy wave runs out and he is faced with increasing criticism about the performance of his Government.

It is recalled that the Janata captured power in many States in 1977 by dismissing the Congress (I) Governments and ordering fresh elections and Mrs. Gandhi did the same in 1980 when she was voted back to power with an equally impressive landslide.

Choice of candidates: The new Prime Minister's confidants have been trying to explain away the poor choice of Congress (I) candidates for the Lok Sabha elections with the apology that he did not have any time to pick and choose more promising persons. If he is returned with a proper margin at the Centre, it is being hinted that Mr. Rajiv Gandhi would go in for better candidates in the ensuing Assembly elections to improve the quality of Government in the States.

It is also being mentioned in Congress (I) circles that the next Government at the Centre would include quite a few new faces, although a good many of the old ones are going to be retained to provide for continuity with some degree of change in the complexion of the Union Cabinet.

The new Prime Minister is also credited with the idea of inducting some specialists at a later stage, depending on the degree of his majority and the availability of desired talent. The intention is to start off by making some major changes in the States, as a prelude to a shake-up at the Centre, assuming that the Congress (I) is able to take advantage of the present dissensions among the Opposition parties and get back to power both at the Centre and many of the States.

CSO: 4600/1208

INDIA

'PATRIOT' EDITOR'S INTERVIEW WITH INDIRA GANDHI

New Delhi PATRIOT in English 2 Dec 84 Supplement pp 1, 4

[Text] *The following is the text of the interview Indira Gandhi gave to R K Mishra, editor PATRIOT, on September 12, 1984 for a Film From India production, directed by Prem Kapoor and produced by Dr Mulk Raj Anand*

We knew numerous problems would arise after independence. That is why I always told them that no magic could eradicate poverty, that no wizardry could keep the country secure and united. We have to work for it — all the time. Constantly. So all those dreams are still before me, although I am acutely aware that while we have taken a number of steps in that direction, all the hopes of the people, their expectations, have not been fulfilled. There is so much more to do.

All I can say is that few can match my faith and belief in democracy. I have been here so many years that I could easily have switched to another form if I wanted to. I didn't do it even when I had the power and the opportunity.

R K Mishra: When we were young, in School, and the country was fighting for her independence, we had a dream to chase. The dream of our leaders who were in the fray of the freedom struggle. What of now? Do the children, the youth, have any comparable dream, or ideal, to inspire them?

Indira Gandhi: In a way, your poser is both simple and complex. I still have the same dream before me — the dream I was obsessed with earlier; that India be free. But why? To give our people a better life, to give them a little more than just economic self-sufficiency. I have always believed that the people of India are, in a way, special, different from others. They have certain qualities which,

despite their poverty and illiteracy, have given them an inner strength to bear their difficulties with fortitude. And this has been the foundation of my faith in the Indian masses. And that is why I always believed that we could take them into confidence about the difficulties and problems that are bound to come in the wake of freedom. We knew numerous problems would arise after independence. That is why I always told them that no magic could eradicate poverty, that no wizardry could keep the country secure and united. We have to work for it — all the time. Constantly. So all those dreams are still before me, although I am acutely aware that while we

have taken a number of steps in that direction, all the hopes of the people, their expectations, have not been fulfilled. There is so much more to do. There have been mistakes, of course, also, perhaps, some inadequacies in our working, but all those who look at India, assess her, have to admit the tremendous strides she has taken. Only some of our own people do not see that progress.

One reason for this is the adverse propaganda which is being circulated all the time. Now, other countries also have their shortcomings. But there, you'll notice, that though the opposition parties may point to those shortcomings, or a hostile media write of them, the effort altogether is for national benefit. It is exactly the reverse here. We go out of our way to inform a visitor of our drawbacks, overblowing them out of proportion. I enquired once why they had such a distorted picture of India. And I was told that this is what they had heard from us. I had no reply.

The intelligensia, in particular, has been responsible for spreading cynicism — I do not know what the Hindi equivalent is — which makes a mockery of most things. And there are no high ideals left. And this is not peculiar to India. Whatever we held as high and lofty has been skillfully denigrated and shown in poor colours. To some extent, I think, the profit motive and the increasing wealth is responsible for it. Wealth has increased in most countries — and here too, but only among a section of the people. This has caused this decline in values. Money has become the measure of all values, and any suggestion of a different ideal is fiercely resented. Both here and elsewhere.

Another reason is that with development, hopes surface. But all of them cannot be met immediately. That takes time and strenuous effort — there is not enough realisation that the masses have as much responsibility as the government and people in politics. They also have to share that responsibility. Even today, if you visit the poor, you will still find them burdened with the old idea of dependence that someone will provide for them, someone will do things for them. The truth is nothing can happen unless they help themselves.

You have just mentioned that there has been progress, but propaganda

is aimed at breaking our self-confidence and our will. In this context, I have often wondered whether the seeds were not inherent in the system we had adopted after independence. A system where a party in opposition considers it its duty to denigrate the party in power. To say always that "nothing is being done". In the same way, you spoke of the media. The newspapers, influenced by Western values believe that news is not news unless it is something bad. And good news is no news. And this situation exists even after so many years of freedom. And so long as this system remain, where the negativism alone yields dividends, in politics or media, will the situation not continue to worsen?

How can we change that now? It is not true that opposition groups must only work for the ouster of the ruling party. You may remember that in the earlier years, each of the States in North India had an opposition government. But nobody tried to topple them. Nor did they feel threatened that someone was trying to break them. Their policies were different and they criticised us, and opposed us during elections, or otherwise. But the hardened feeling of bitterness which we see now, an attitude of perpetual conflict and confrontation witnessed presently — this was not there. This is why whatever the government, it functioned. Of course, it was another matter if those governments, largely a conglomeration of many organisations, coalition of several parties fell because of internal dissensions or due to some step which precipitated their fall. But we never made any effort to that effect. Even today, our aim is not to topple anyone, create schism, or a rift, between anybody, no matter what the people say. At the same time, there will always be some disgruntled group, or party, which will work to create difficulties and highlight weaknesses of the other. But this is normal and no one minds it. But the difficulty arises when they say that it is their right to dislodge a government. They may say so if they like. But if a Congressman, a leader or a grass-root worker, says it, they blow it out of proportion and crucify them, for making such statements.

One possible reason for this could be that prior to 1967, the political parties had assumed that their duty was to project and propagate their policies and pressurise the government into accepting their programmes. The post-1967 phase saw a change in their pattern of thinking. Increasingly, they began to feel that if they jettisoned their policies and joined hands, they could make a bid for power. Since then policies have taken a backseat and a rage for power has acquired primacy... But there is no denying, as you pointed out, notwithstanding the development the country has seen, there is still the spectre of poverty and the growing ranks of unemployed youth staring us in the face. And those who have not been a part of the freedom struggle, or seen the poverty we faced then.

And we have no visuals to show them for a comparative study. We have very few films or pictorial records of those days.

So how do we make our youngsters, our growing children, feel what it has cost us to be free — and how far we have come since then?

This is possible only through a dialogue. There is no other way. And it cannot be forced. If the government does it, it will be suspect. And this is true not only of India. Violence, suspicion and terrorism are on the increase everywhere. Indeed, it is proportionately higher in the more prosperous countries. These happenings do cast their shadow here too.

And there are some who do not have any responsibility but have a tremendous, albeit mischievous, capacity to use that — what is happening in prosperous countries — as a "model" and influence people. And they are the ones who are influenced by foreign value systems and they see all our problems, social and economic, in the scale of the consumer societies, from a foreign viewpoint and not our own.

You were saying, Indiraji, that there are no relevant photographs, or records, of that time to show our young people. I feel we should reorient our educational curricula, as they did in Soviet Union and other countries

where they educate the younger generation with the history of old days, of poverty that was there etc. — to acquaint the younger generation with the history of our struggle. Often our people ask, people in the villages particularly and it is also being circulated abroad — about the deplorable condition of our villages. Though there has been development, it is said it has been mainly in cities where commendable urban

development has taken place, but its pace in the rural sphere has been tardy. People still largely lead the lives of bonded labourers, without any of the basic amenities, like a roof over their heads. How do you view this? How much dissatisfaction is there?

No, it's difficult to be satisfied — there is so much more to do. And it is also true that there is still a lot of poverty... a large number of places where we have not reached. At the same time — though I have not seen it myself — I will give you two outstanding examples which some people have brought to

my notice. Two Europeans, stranger to each other, from two different European countries, came here more than 20 years ago and settled down in two remote villages of Madhya Pradesh and Gujarat. They chose villages which had no rail head and communication was minimum. Neither was there any large township nearby. In the little over 20 years they were here, one wrote a book, and the other a thesis for which he received a doctorate from the University of Sorbonne.

The extraordinary thing they observed was that despite the remoteness of the two villages under study, there was a gradual rise, over the years, in the standards of living in both places. The Frenchman, in particular, wrote with meticulous care about each individual member of that village community in Madhya Pradesh. Of the village barber whose income showed a corresponding rise during the years of the Frenchman's stay. Similarly, about the washerman. Besides the author's, it was rare to see a car in the place. The one wealthy man of the village stayed in the city, and had rented out his house to the French scholar. Likewise, with the gentleman who had settled down in Gujarat. Although his book is not as detailed, it is

doing very well in the sales market of his country. And the government of that country has also given it a big boost because they have little knowledge of India. It is generally commented that the government must have paid him to write the book, when none of us even knew he was here. Not I, nor the Chief Minister of Gujarat.

There has certainly been progress, but not enough to say that all our people have moved above the poverty line. Still, under the provisions of the 20-Point Programme — apart from other programmes — have yielded results and close to a crore and half people have crossed the poverty line. And a crore and half, on a scale of comparison with other countries, is not a small number. To some extent, our growing population has offset the work we have done in that direction. You mentioned about bonded labour. The problem is still to be solved. Initially, one was ignorant of it. I chanced upon it accidentally during one of my tours and immediately incorporated it in our 20-Point Programme, with appreciably happy results. What the people, indeed all of us, have to understand that if we do not have a high morale, if we do not have faith in the future, if we do not have self-confidence, this work cannot be done. And people lose hope. If others denigrate and belittle the work that is being done, they resign themselves, they come to think nothing would happen and, therefore, why should they even make an effort. Why should we, they argue, do anything. And that is bad. In this respect, Education and the media, radio and television can be of great help. The teachers and intellectuals have a challenging responsibility and, in particular, the parents should give their children the right direction. You mentioned Panditji and Gandhiji — but they didn't have to face the challenges we are battling against. They had one clear goal; to win India her freedom. With freedom arose the need to use scientific advances for effecting a miracle. And, in a way, India did perform that miracle. In space and elsewhere; but we noticed that with development there is a corresponding growth of demands with a parallel growth of discontent and an envious resentment at our progress, both by a section of our own people and those outside. Some, who were most unhappy, were those who had made a career of exploiting others, and they espe-

cially worked hard to impede the pace of development. The debate here is constantly about the private sector vs the public sector — when they should both really be complementing each other. Take Japan now. A country totally lacking in natural resources, like coal and iron, has still achieved an impossibly high measure of economic prosperity only through discipline and unity. I was talking to someone just yesterday, and he said that Japan was not merely on the threshold of the 21st century. It was there already.

To come back to what I mentioned a little while ago. Many people in the country at present wonder if the climate of discipline that we need, and the environment of cooperation the country requires, is not being choked by the politics of competitive irresponsibility. And unless it is replaced by a system, a scheme of polity, under which at least those who bear the responsibility of running the country and do not fall prey to this, there is little cause for hope. And people are, therefore beginning to seriously reconsider and re-view the validity of our parliamentary system. What are your views on this?

To tell you the truth, I haven't given it much thought. Because I feel that whatever the framework, or system, it has its good points, certain advantages which will be typical of it. And the framework we have chosen, the democratic system most people refer to as a parliamentary democracy, though modelled after Britain, also contains many features from other systems. The government there has a number of powers which we cannot lay a claim to here. But these days, to my knowledge, no system is working satisfactorily anywhere. Which is why I believe that all these issues need to be seriously thought about — and not only by a small coterie of people. Even the illiterate majority must think, because the system is a means to achieve certain ends. The question is how it is to be implemented, and for what purpose. If we ignore these two aspects, the best of systems will flounder. Our main difficulty is not the merits or demerits of the Parliament, but the loss of the high standard it once had. The responsibility people felt as members, the decorum they exercised in their conduct and debates and, more

importantly, the responsibility toward their work, is totally gone. In other words, as Gandhiji was wont to say, without responsibility rights are meaningless. That rights per se, without a sense of duties can bring no positive benefits. On the contrary, they are apt to harm the country. I have often given the analogy of a river, which is a body of water bounded on two sides. But take away the banks and the flow of water refuses to be contained, and is of no use to anybody. Similarly, whatever we do has to have the twin focus of responsibility and seriousness.

When I spoke of the system, I was not confining myself merely to the mode of election. I also had in mind the courts, which are a part of that system. The laymen and the poor, people in general, often question the judicial system: whether the poor can get justice? And if not, isn't it incumbent to modify it?

The subject honestly requires to be examined thoroughly, you are right. Many people come to me and say that though truth is on our side, as also the justice, the courts go against us against us, either because of bias, or because the other party had the means to engage a more influential lawyer. Secondly, we notice that a number of judges have begun to indulge in politics — notwithstanding our efforts to keep them insulated. We have neither tried to influence them, nor meet them. Not that we don't wish to, but only to avoid the blame of suborning them, or putting pressure on them. To some extent, the class factor also has a hand in it, because very few would like to change the status quo. And without change poverty cannot be removed. The country cannot progress. So I try and explain people that the affluent can become rich only up to a point. Only when poverty is banished, equality brought about, people's talent and potential flower... and the country and society rise to new and higher levels of development. Unfortunately, most people take a narrow view of things. The industrialists have eyes only for their industry — they do not pause to see the extent of their dependence on others, the workers, the people.

What are the reasons that even after so many years of independence the feelings of fierce nationalism — which took root at the time of the freedom struggle — now appear to

be to diminishing. Various narrow slogans are being raised, people are getting trapped in considerations of language, region, communities, etc. Why are the feelings of divisiveness and disintegration, which weaken the country, surfacing?

There are two reasons. One is that the people have not been able to realise how difficult it is to hold the country together. How close it has come to a crisis and then steadied itself again. They take it for granted that no matter who runs the government tomorrow, everything will go on as usual regardless. And this when they have seen that things do not happen that way. The other reason is the tremendous external pressures which have been brought to bear upon us as the price of our progress. Economic pressures particularly, and not only on India — but on all countries like ours — Africa in particular, which has a far greater incidence of poverty, is being crushed under this burden, to a certain extent. And because those countries are small they finally succumb under pressure. We don't. And people don't like this, and many have openly accused us of not listening to them. What then are we to do? We either keep our freedom, or lose it. And by freedom I have always understood something beyond political freedom — and entails the capacity to think for ourselves, to judge the direction we wish to take, the policy we choose to adopt. And not because some bloc has asked us to. Which is why we have kept ourselves non-aligned. As we march forward, this pressure will not lessen. It will increase. The hazards facing the

country will multiply because the prosperous countries will have their say — they have the means. There have been many occasions, in the course of negotiations with international monetary organisations, when we have spoken on behalf of other countries. And a number of prosperous countries even agreed we were right and assured us their support. But they did a volte-face when they were pressurised to drop their stand.

It is true that in the present international situation there are many observers with a keen insight into world affairs, who say that because our country is so vast and rich in resources, the imperialist forces would do their best to see us either destabilised or crushed. And now

that you have assumed the leadership of the non-aligned movement these pressures have, perhaps, intensified. Against the backdrop of this international scenario, what would you say is the biggest challenge the world faces today?

The obvious one is not to succumb to pressure. Why do people bow before pressure? Because of economic backwardness. Another point that I had quite forgotten to tell you is that phenomenal advances in science and technology have mainly benefited the more prosperous countries. They have used them to their advantage, while we, in spite of our best efforts, have lagged behind — and it is not for any lack of enterprise. However, there are those who do not raise their voices. They come to us and ask us to speak for them, and the cumulative effect of those pressures recoils on us. The danger, then, is two-fold. The most imminent is of a world war because of the race for piling up nuclear weapons: the accumulated nuclear stockpile is already enough to destroy the world hundred times over. Even then further nuclear build-up continues. Increase in tension is a natural corollary. Even their attitudes (attitudes of some governments — ed) their environment and their policies are one of confrontation and aggression. This adds to the insecurity and the concomitant tension. This will affect the people, the intelligentsia in particular. Also others, the farmers, because they are all interdependent upon each other. Moreover, the gulf between the rich and the poor nations can equally contribute to war and tension and misunderstanding. There is a third aspect of the present situation. Some wars are being fought at present (by some nations). We do not know whether they are their own wars or somebody else's. What are the powers behind those wars? What exactly is their game?

It appears that pressures from the neighbourhood are impinging upon us, partly because of our country's leadership in the non-aligned movement. And in part, because of our endeavour to preserve and safeguard our independence. What do you think of the attitude of our neighbouring countries? And what should the attitude of our country be? What should our people be conscious of?

Our neighbours fall in different categories. But there relations of friendship are not what they should be. With some countries especially — and ample evidence of it has been available recently. Our policy, from the beginning, has been one of friendship and cooperation. And we have been sincere in our efforts to extend our hand to our nearest neighbours. I have never retaliated even when somebody has spoken unfavourably about the country, our

party, or attacked me personally. Nor do I ever wish to. My attitude has always been to maintain, as far as possible, ties of friendship. Notwithstanding this, if someone is bent on creating trouble, or provoking a war, we have to give a reply.

Returning back home, the Congress party is preparing to celebrate its centenary. I do not think it is merely a question of one party. It is more a matter of carrying forward the tradition and legacy of our national movement. So on this occasion what lessons would you recommend that the present generation learn from the past hundred years' struggle for freedom?

One nation and discipline. Of love and pride for the nation, and self-confidence.

You have said a lot in a few words.

And self-reliance. Because at that time (of freedom struggle) most of our big leaders were in jail, and whosoever took over the reins from them was forthwith arrested. Finally, it was left to the common people to take up the challenge. And they did with confidence, and grew in stature, giving strength to the movement as they moved forward toward freedom. I repeat what I have said earlier: our revolution is not yet over. This is just the first, albeit significant, turning point. It is as necessary to attain economic independence as to raise the prestige of the country to give it a place of pride. But I fail to understand why this perspective does not enthuse the younger generation. Though I am getting on in years, I derive rare pleasure whenever I come across any Indian who has done something to raise the stature of the country higher. But I notice that all our achievements, the big projects we have taken up, attract attention briefly — their news is published one day and then it is forgotten. You saw

the recent games in America and also the tremendous response and encouragement that came from all quarters—a great wave of nationalism comparable to the kind that comes after a great victory in battle. Now we have given our people many such moments, but they were scoffed at and some people remained trapped in their own everyday trivialities. If they don't look ahead they are bound to trip and fall. This is not the way to go forward. These sentiments need to be awakened.

Perhaps, and I recollect you had said the same thing, the trouble lies with our intelligentsia — the body that shapes and moulds people's thinking and opinions — which has been perverted by foreign influences. To such an extent that one really wonders if it isn't a folly to leave doors open for just about anybody to walk in and mislead our people and lead them astray? Is it necessary to follow this course when we know that there are certain forces which

want to mislead our people? Why should they be given the opportunity to operate here and exert their influence?

This is a complicated question. Whom do we stop, and whom do we let in? And if we shut them out, we isolate ourselves from the world. And that is not good for our people. In effect, what we must work for is to see that the people learn to discriminate, learn to guard the interests of their country with such fierce passion that they make short shrift of the disruptive forces that knock on our doors. This will give them additional strength. Confrontation implies growth. And to confine oneself in a shuttered room is to retard one's mind and physical development. Our people must be encouraged to go out and meet others, regardless of the risks. Indeed, there are graver risks in locking them in.

Admittedly, the test of strength lies in facing others at all levels, political, economic, intellectual. I only asked this because there are moments when one almost longs for a shortcut.

There are no short cuts in life for an individual, a community or a country. It's an uphill climb all the way.

In this context of hard work, I have a question which is sort of personal — in a way, it is not. I often wonder,

and people also enquire of me, how you are always on the move — working, conferring, travelling. It's enough to boggle the mind. Where exactly is the source which makes...

I don't consider all this a burden at all because I am convinced I am on the right path and have adopted the right policy. I am aware that I shall not be able to complete the work. Nor have I ever believed it could be done in one lifetime. But history will bear witness that we have taken it as far as we could, and did what we could — it was our duty — and now it is for the others to take the torch forward. We should all do our best, shouldn't we?

When we look ahead, the next five years for example, we find that from the standpoint of political economy our country is on the crossroad of, as you said, greater vigour and also mounting pressures. By the time we reach the 1990s, the country will be gearing herself for the 21st century. In these five years what is the biggest task before us? for the nation? for the people?

The primary one is to maintain the unity of the country. To keep a firm grip on communalism, casteism, superstition, and other forces which tend to weaken the country. Regionalism and language etc. And if we can do that, the strong-willed people of India — the average people, the illiterate and others — will take the country forward in the right direction.

During the freedom struggle though we had sloughed off our narrow regionalism. Even later, we had forgotten our Bengali, Punjabi or Gujarati moulds. Foremost was the sentiment of being Indian. It mattered little whether Gandhiji was from Gujarat, or Panditji from Kashmir or Uttar Pradesh. But, today, as the political parties proliferate, the greater becomes the hold of provincialism. The youth, in particular, appears to be totally confused in this welter of half-baked solutions. How can the cancer of parochialism...

Certainly not by force. But very possibly by patient reasoning. As I said in the beginning, people should be made to understand that no State is self-sufficient — each is dependent on the other. They

have also to be told that our means are limited; there is a constraint on our resources. Which is why we have to hold back our hand in the resources allocation to States. Now this problem is not only confined to the opposition ruled States. The Congress Chief Ministers, as also the Central Ministries; have the same grouse. If people think about these problems deeply...

A sizable chunk of people are of the view that if the States were granted greater autonomy, or economic resources, the pace of development would be swifter and...

There are many who do not use the allotted sums on the projects they were meant for. They transfer them to the other accounts, and when you do that instead of strengthening the basic structure, you weaken it. The people might derive some immediate satisfaction, but their State cannot progress. After all, each State must aspire to stand on its own feet. Oddly, the States with the largest demands, those who complain about receiving insufficient funds, are the ones that make an issue of decentralisation. How can the two things go together, when they are in difficulties they turn to the Centre. Take destruction of forests. Education. We have included education in the Concurrent list because a number of States complained that in places the teachers had not been paid. There are areas where politics had insidiously wormed its way in and scientists — those who showed no appreciation for a particular brand of politics — were summarily removed. Now these can be dangerous portents — especially in the border States — and something must be done.

Presently some people, including some intellectuals, say that democracy in the country is in jeopardy; that efforts are being made to end democracy and concentrate power.

Now that is immature because I know the state they are talking about. Briefly, let me say a few things. For the first time a few months back, members of the Zila Parishad were elected by a system, known as the adult franchise. When the new government was sworn in, it dissolved the body for apparently no reason at all. Nobody complained that democracy had been destroyed. The same

thing happened in Andhra Pradesh, Karnataka, Madhya Pradesh and Uttar Pradesh. The question is not whether it was right or wrong. The point is that not one voice was raised in protest. All I can say is that few can match my faith and belief in democracy. I have been here so many years that I could easily have switched to another form if I wanted to. I didn't do it even when I had the power and the opportunity.

When we were talking about democracy, I wondered what was the reason that countries which favoured the democratic form of government were hostile to our country, while those with dictatorships were friendly.

The reasons are many. The obvious one is that they are less concerned with democracy than with who stands by them. Unfortunately, we have similar people in our country too. They raise the slogan of democracy, but befriend those where there is no democracy at all. So we mustn't take these slogans seriously. Nor their self-styled advocates.

While we were discussing democracy and the country's development, it occurred to me that what upsets people more than poverty — and they can bear that — is corruption. There is a general consensus, in cities and villages, and among people, that corruption is a cancer that is difficult to bear. And they are also of the view that the problems of the poor cannot be resolved primarily on account of this. How can we tackle this?

There is some truth in this. There certainly is corruption and we must analyse why it is there? Some of it, of course, is a spillover from our old feudal system, when we were slaves. Although not in the higher echelons, but it was there. Even today India does not have a larger incidence of corruption than the other countries, though it is talked about on a larger scale. Also, because we have taken up so many large projects. If it is there, especially in programmes that have to do with the poor, there is a natural backlash of anger and resentment and despair. And it has been our honest endeavour to investigate complaints

and apprehend and remove officers — the high and the low — found guilty of corruption. But we don't always come to know of it on time; alternatively, the poor are bullied into silence, and they

are terrified of standing as witnesses. Worse, when there is so much talk of corruption, it acquires a kind of acceptability and people begin to feel 'if they can do it, why not us'. And the whole atmosphere gets poisoned. It is commonly said that nothing can get done here without recommendation. So when someone comes to me for recommendation, I ask him if he considers it a good or a bad thing. If he answer bad, I ask him, who do you resort to it them? The practice can only end if you, and others desist. There is no point blaming someone else for this evil when you are neck-deep in it yourself. It is a social problem and unless the whole society crusades against it, nothing can be achieved. I think there is hardly anyone else in our political life who has removed so many people without making a lot of noise about it. Whenever complaints have been received, there have been looked into. Sometimes these are found to be baseless. Sometimes action has been taken. Sometimes it was found that the complaints are results of personal quarrels. Like corruption, the exploitation of women, as that of the poor, is the vestigial remains of old social customs. And it cannot be eradicated through legislation. We can be successful only if there is a social awakening and society considers it its own problem.

You are right when you say that it has become a national characteristic to look to the government for the solution of every problem and there is a decline people's initiative. I do not know how far our traditions are responsible for it. Another thing that comes to mind is the necessity of fighting the spectre of communalism. And in this context, a number of people are beginning to question the role of religion. And they discuss often your visits to temples and other religious places and how it ties in with our professed ideal of secularism. Should religion have a place or not — in the secular scheme of society?

Nobody can expel religion through laws. Many countries have tried, but they have not succeeded. And India is far more religion-oriented than other countries. Therefore, I don't favour severing it from its religious moorings. Our aim should be to encourage the basic

teachings which are common to all religions, like love and sacrifice and renunciation, service and brotherhood. And retain some of our rituals, which are so extraordinarily beautiful as a part of our cultural heritage. But there are other aspects of it, perhaps redundant or obsolete, which the people may jettison if they wish to. — only we cannot force them to do so. Religion has had a very big hand in keeping us united. It has given our people enormous strength to bear severe difficulties and overcome them. Ours is the only country with such a long history, of suffering and endurance. In spite of which we haven't lost our ancient moorings. And I do believe we should not lose our cultural legacy. With progress, I think our peasants, our farmers, are beginning to shake off the shackles of superstition. Particularly when they see the benefit that will come to them. And if they peasants or workers, sees their benefit, they would not hesitate to discard superstition and obscurantism.

In the early years, I was not a regular visitor to the temples. But the more I got involved in politics, the more I travelled; and in the villages I visited I was asked time and again to see their temple: "Are you not going to see bigger temples?" To avoid hurting their feelings, I would agree. And that was the beginning. But I have no biases. I visit all places of worship whatever their religious denomination. And I have noticed a healthy sprinkling of devotees of different faiths, Hindu, Muslim or Sikh, in a dargah, in the Golden Temple and other gurdwaras. And it is this tradition that has given the people both strength and unity.

One last question. With our external and internal problems, our strengths and our weaknesses, can you envisage what India will be like in the 21st century?

The world is changing at such a rapid pace that it is difficult to hazard any speculation. All I can say is that if we continue our petty squabbles, the future will not be particularly bright. There is rage for competition and many countries of Asia have taken such a tremendous leap forward that they have outstripped the countries of Europe. Under these circumstances India must decide the direction it wishes to take. More importantly, we must also understand without unity and discipline and the feelings of brotherhood, we will not reach anywhere.

I try and explain people that the affluent can become rich only up to a point. Only when poverty is banished, equality brought about, people's talent and potential flower . . . and the country and society rise to new and higher levels of development. Unfortunately, most people take a narrow view of things. One nation and discipline. Of love and pride for the nation, and self-confidence.

Like corruption, the exploitation of women, as that of the poor, is the vestigial remains of old social customs. And it cannot be eradicated through legislation. We can be successful only if there is a social awakening and society considers it its own problem.

Nobody can expel religion through laws. Many countries have tried, but they have not succeeded. And India is far more religion-oriented than other countries. Therefore, I don't favour severing it from its religious moorings. Our aim should be to encourage the basic teachings which are common to all religions, like love and sacrifice and renunciation, service and brotherhood. And retain some of our rituals, which are so extraordinarily beautiful as a part of our cultural heritage.

CSO: 4600/1207

INDIA

DEFENSE EMPLOYEES SENTENCED FOR PASSING INFORMATION

Bombay THE TIMES OF INDIA in English 22 Nov 84 p 7

[Text] New Delhi, November 21 (PTI): The additional sessions judge, Mr. J. D. Kapoor, today sentenced two peons working in defence establishments here to three years' rigorous imprisonment for passing on classified information to Pakistan intelligence.

Ami Chand, a peon in the directorate of engineering in Sena Bhawan, and Tara Chand, a peon in the naval headquarters, were arrested under the Official Secrets Act on February 18, 1980 for passing on classified information about Indian defence to two Pakistan intelligence officers working in the embassy here on various posts.

The judge in his order said he was taking a lenient view in awarding the sentence as the culprits were poor people and had families to look after.

The judge in his order said he was constrained to comment about the manner and procedure being adopted by defence establishments in handling documents of such importance, the leakage of which could endanger the security of the country, that even peons had access to them.

"I am pained to observe that it is not only strange but is shocking that the documents of such nature were being kept in almirahs at such places to which every Tom, Dick and Harry and even peons had free access and were at liberty to open any particular almirah", Mr. Kapoor said.

Minimum care required to be taken by the high officers who were in charge of these documents and files was to keep the almirah keys with them and allow the concerned people to take out files with their permission and in their presence, he said.

Mr. Kapoor said that it was obviously due to the casual manner that these documents were handled and kept that attracted or tempted unscrupulous officials to put the sovereignty and integrity of the country at risk.

He expressed the hope that the authorities would evolve some fool-proof methods of handling and maintaining these documents.

CSO: 4600/1194

INDIA

FINANCE MINISTER MEETS WITH JAPANESE ECONOMIC TEAM

Calcutta THE TELEGRAPH in English 5 Dec 84 p 8

[Text] New Delhi, Dec. 4 (UNI): The Union finance minister, Mr Pranab Mukherjee, today assured the visiting high-level Japanese economic mission that India would continue its liberal policies and intensify facilities for export promotion to Japan.

Mr Mukherjee told the economic mission, headed by the president of the Japanese Chamber of Commerce, Mr Goro Koyama, that in the context of the Seventh Plan, there was ample opportunity for greater Japanese partnership in India's economic progress.

During an hour-long meeting with Mr Mukherjee, the Japanese were particularly appreciative of the liberalised policies being pursued by India progressively since 1980.

They wanted diversification of India's exports, further simplification of rules and procedures and greater role for trading houses.

Mr Mukherjee, who is also the Union commerce minister, felt that trading houses had an important role to play. He hoped that the full potential for Indo-Japanese cooperation could be progressively realised with the existing measures.

The delegation has come to India following the Japanese Prime Minister, Mr Nakasone's discussions with the late Prime Minister, Mrs Indira Gandhi.

Mr Mukherjee told the delegation members that in the Seventh Plan, there would be increased emphasis on improving infrastructure facilities particularly in the field of communication, power generation and transport.

It was also the government's intention to retain a substantial role for private sector investment, he said.

The Japanese delegation appreciated the progress achieved by India and the scope it offered for enhanced Japanese cooperation.

Earlier the delegation had discussions with finance secretary, Mr P.K. Kaul.

CSO: 4600/1212

IRAN

COMMENTARY EXAMINES BACKGROUND OF SOVIET PRESENCE IN DRA

Tehran KAYHAN INTERNATIONAL in English 25 Dec 84 p 2

[Editorial]

[Text] On December 25, 1978 a Moscow-led coup in Afghanistan brought to power a Soviet-inspired government with Babrak Karmal as its president. Immediately after that international circles openly condemned the Soviet Union for her occupation of Afghanistan and providing military support to her protege government in that country.

During the six years since that day Muslim tribesmen and other revolutionary Muslims have been fighting against government troops in many parts of the country, killing a great number of the government and Soviet troops, and inflicting material damages on them. Daily more and more of the government troops defect to the Afghan Mujahideen ranks making it increasingly difficult for the central government to maintain power.

Despite the rising struggle of the revolutionary people against the Soviet troops and notwithstanding offia condemnation of Moscow at innumerable world forums for her invasion of Afghanistan, Moscow has stubbornly kept her troops in that country which are said to be more than 120,000.

On Tuesday December 25 the Afghans will be marking the sixth year of their principled struggle against the occupying Soviet forces. When embarking on their 1978 occupation of Afghanistan, the Soviets never expected to be dealing with a nation so well-prepared for fighting. Moscow's dreams of claiming a quick victory in Afghanistan were soon dampened, the Soviets learning that the Afghans take pride in being martyred in their fight with an irreligious government.

Moscow has doubled her forces since her occupation of the country, turning Afghanistan into a testing ground for their newly developed weapons. Already, however, Moscow is all too embarrassed by the rising death toll of Russians in Afghanistan.

In the early 1970's the Soviets cautiously began their campaign for getting a foothold in Afghanistan. These initial probings led to a coup d'etat which brought to power General Daud. However, Daud made advances to the West--a policy which eventually angered the Soviets and paved the way to Moscow's supporting the military coup d'etat of 1978.

The year 1977 marked the end of Daud's rule. He was killed along with many members of his own family as his presidential palace was bombarded in a bloody coup. The new president of the country, Nur Muhammad Taraki renamed the country the Democratic Republic of Afghanistan. He, too, was ousted in another coup staged by Hafizullah Amin on September 16, 1978.

Upon coming to power Amin promised to the people the political institution in Afghanistan would not interfere with religious affairs. He also promised that the question of Afghan refugees would be solved in tripartite talks including Afghanistan, Iran and Pakistan. His policies eventually infuriated the Soviets who toppled him from power on December 24, 1978, installing Babrak Karmal in his place on December 27, 1978.

Confident with the peaceful atmosphere then prevailing among the rank and file members of the Communist Party in Afghanistan the Soviets concentrated the larger part of their efforts on airlifting troops and equipment to Afghanistan in order to suppress the revolutionary Muslims in that country.

The Soviets, however, were to be amazed by the defection to Mujahideen ranks of the government forces. Aware of the implications of defections, the Soviets have been trying every possible means to ensure that the government troops of Afghanistan will not join the Mujahideen under any circumstances.

To keep the social situation ready for their indoctrination, the Soviets never hesitate to indulge in any act for suppressing the masses and imposing their ways upon Afghan society. They provide free Marxist education to the Afghan youth and where and when necessary, they even send Afghan children for Marxist education to universities in the Soviet Union.

When the Soviets occupied Afghanistan in 1978 they were still basking in the sweet memories of their 1956 occupation of Budapest and their 1968 occupation of Prague. When they set foot in Afghanistan six years ago they inflated themselves with the wishful hopes of marching on to the Persian Gulf. But history has, among other things, proved that a nation invaded by a foreign enemy will fight, defying all obstacles, a fact the Soviets have learned at a high price.

By their occupation of Afghanistan the Soviets have disproved their profession of being against colonialism while on the other hand, they have tried at every opportunity in tandem with Washington, to assure themselves of a withdrawal from Afghanistan in a manner consistent with their dignity.

The experience of other governments in Lebanon, Vietnam, Korea and elsewhere has long since proved that a nation of militant people will eventually triumph over their enemies.

CSO: 4600/197

EDITORIAL CONSIDERS ISLAMIC DISCORD SIGN OF UNAWARENESS

Tehran KAYHAN INTERNATIONAL in English 24 Dec 84 p 2

[Editorial]

[Text]

Islamic Conference Organization's fifteenth foreign ministers' summit, recently concluded in the North Yemen capital of Sana'a, was convened at a time when the Islamic world is grovelling in discord and under imperialist attacks.

The occupation of southern Lebanon; continuation of fascist rule in Iraq; differences among Palestinian factions; expansion of reactionary insights in the Palestinian resistance and certain Islamic heads of state readmittance of Egypt as an ICO member and lastly, apathy over the Zionist regime's aggression; have caused grave weaknesses in the Islamic world. Unfortunately, despite these signs, unity remains an unknown entity among Islamic countries. The ICO came into existence in 1969 after Al-Aqsa Mosque, the first direction of daily prayers for Muslims, was set ablaze by the Zionists. But till today no effort has been made to attain the goal of mobilizing Islamic resources for a united action against threats to the Islamic world. This idea was rightly focused on by foreign Minister Ali Akbar Velayati during the ICO convention.

Not only has the goal been materialized, but rather it has recoiled against the Islamic countries themselves. At the same convention, Dr. Velayati voiced concern over reposing trust in 'world pagans' to solve the Islamic nations' problems, even after a generation of unsuccessful experience.

Nonetheless, it is a necessity for Islamic countries to form a united front to jointly seek to parry plots aimed at any of the Islamic entities. But an ironic

fact is a Christian, the Iraqi Foreign Minister Tariq Aziz was sent to Sana'a to tackle Islamic problems. Is not the Iraqi imposed war a clear indication that Muslim problems are significant for some Islamic countries? Again, Dr. Velayati stated correctly that Iraq's use of chemical weapons indicated the kind of murderers that have been attacking the Islamic Republic for the past four years.

Moreover, at the beginning of the current year, in Morocco the ICO heads of state summit reinstated Egypt as a member, a calculated conspiracy. Once again we see a retraction in that having been expelled on the grounds of signing the Camp David pact, Egypt has been put back in good odour even though she has not withdrawn one inch from cancelling the treaty.

Another issue highlighting disappointment with the ICO attitude is its inability to find a solution for the imposed war. On the contrary, by offering clear support for the Iraqi regime, the organization has shown its inability to be an impartial Islamic intermediary body. Despite the Quranic verses demanding war against the oppressor, the ICO has not been able to be impartial, while knowing well who the aggressor is. The ICO tries only to soothe the feelings of the oppressed, asking them to tolerate oppression.

In Sana'a, Iran once more displayed good faith in not opposing the mediation efforts of the peace committee but nevertheless Dr. Velayati expressed the Islamic Republic greatest demand for ending the war: the removal of the Iraqi regime.

In this regard, Dr. Velayati said it is shameful that some countries who have been saved from an Iraqi attack by Iranian forces, donate billions of dollars to finance the Iraqi regime when at the same time, Israel has declared she wishes to see the Islamic Republic of Iran defeated in the war.

The Sana'a summit only reiterated that with regard to the Palestinian question, no country should unilaterally seek to hold talks with the Zionists and that the Camp David Accord should be adamantly opposed.

Despite all these questions, the ICO still has the potential of being a ray of hope for Muslim unity. But it should seek to expose the backward attitudes of some member states with the help of progressive countries and correct its objectives, although the ICO's current attitude is at quite a distance from reality.

IRAN

SAUDI GOVERNMENT CHANGES SAID TO BE INFLUENCE OF ISLAMIC REVOLUTION

Tehran SOBH-E AZADEGAN in Persian 4 Dec 84 p 3

[Text] Fahd, the Saudi king, who, like the previous rulers, has absolute rule over Saudi Arabia, said that he will provide the country with a parliament as well as a codified constitution.

According to an ASSOCIATED PRESS report from London, King Fahd said in an interview with the SUNDAY TIMES that he intends to modify the absolute monarchical government in Saudi Arabia and within the framework of this program, the country will be administered by a consultative assembly to be elected within the next three or four months. In Saudi Arabia, there is no constitution and most of the key positions are occupied by the Saudi family.

King Fahd said: This consultative assembly, which will begin its work by the end of next year, will have members appointed "by him" and at the same time, a codified constitution will be prepared for the country.

It is not clear who will appoint those who are to prepare this constitution. King Fahd added: After the passage of two years from the beginning of the consultative assembly's work, indirect elections will take place for half the members of this assembly. He did not explain what he meant by indirect elections, but added: Ultimately, all the members of this assembly will be determined by direct elections.

The Saudi king mentioned the duty of this assembly as supervision over the implementation of government policies and safeguarding the participation of the people in the country's affairs. In conclusion, he said: The work for the building of this parliament has begun in the central part of Riyadh. King Fahd explained the formation of this parliament as "a great change in the history of this kingdom." In the opinion of some observers, the changes in the past few years, since the victory of the Islamic revolution and its influence over the public opinion of

the Muslim people, has played an essential role in the feelings of the Saudi family to create such a parliament and laws in Saudi Arabia. Under these circumstances, the Saudi government finds it necessary for its survival that the people of this country also enjoy the popular institutions that exist in other countries, even if only superficially.

10,000

CSO: 4640/213

IRAN

CHIEF JUSTICE DISCUSSES DOMESTIC ISSUES AT PRESS CONFERENCE

Tehran JOMHURI-YE ESLAMI in Persian 29 Dec 84 p 12

[Interview with Chief Justice Ayatollah Musavi-Ardabili by domestic and foreign reporters on 28 Dec 84; place not specified]

[Text] The news division of JOMHURI-YE ESLAMI. Ayatollah Musavi-Ardabili, the chief justice, took part in a press, radio and television conference with domestic and foreign reporters yesterday morning and responded to questions by the reporters in various areas.

According to a report by our correspondent, he first said: In order to clarify various issues involving the judicial branch, including those pertaining to prisons, minigroups, the trial of air pirates, overpricing, the Islamic conference, San'a, the recent OPEC meeting, and bureaucratic corruption, we decided to hold this interview, although we believe that our responding to these questions will not end the hostility of the mass media of global oppression towards the Islamic revolution.

The Judicial Branch and the Support of the Imam of the Nation

Then, Ayatollah Musavi-Ardabili referred to the recent statements of the imam of the nation in a meeting with the members of the Supreme Judicial Council and said:

The judicial branch in the regime of the Islamic Republic has a particular position and very heavy responsibility. It must carry out its duties in accordance with religious standards. After the victory of the Islamic revolution, the situation of the judicial branch in terms of personnel, laws and regulations was totally changed. Because it is new, in order to carry out its heavy responsibility, the judicial branch must enjoy very strong support. Thank God, the imam of the people, with his support and guidance, has helped us in carrying out our duties. The judicial branch in our country is a completely independent power. No one is allowed to interfere with it. On the basis of the

Constitution, even the president has only a coordinating role among the three branches.

Pardoning Prisoners

Then, stating that the disciplinary prosecutor's office and court for judges is the only authority to investigate the violations of judges, he pointed out that the supervisory council of prisons has been reformed. He explained the situation of the prisons and the regulations for pardoning prisoners and said:

During the years from 21 March 1979-20 March 1982 in our country, we faced a problem called the hypocrites, minigroups and, on the whole, counterrevolutionaries, who had infiltrated some of the organizations while carrying out terrorist acts. At that time, the Office of the Revolution Prosecutor and the courts engaged in extensive activities to fight such elements of oppression and were completely successful in this fight. Now, in our country, we have no problem with minigroups and counterrevolutionaries. In other words, no threat, in the sense of counterrevolution being a real threat to the revolution, exists any more. Hence, the imam issued the decree of pardon for prisoners whose hands are not stained with the blood of the people, and certain committees have been changed after a study of the files of the prisoners. Thus far, a number of prisoners have been pardoned and another number will be released on the anniversary of the revolution. A number of prisoners have been rehabilitated and have repented their past actions. On the whole, when we are certain that a prisoner will not engage in counterrevolutionary acts should he be released, we will release him.

Trial of Hijackers

In response to a question concerning the nationality of the hijackers of the Kuwait airplane, when they will be tried and whether or not the hijackers will be extradited, he said:

Have the enemies of the Islamic Republic of Iran returned the hijackers of our airplanes? Why should we return the hijackers when our enemies give political asylum to the hijackers of the airplanes of the Islamic Republic? We are prepared to return all the hijackers, provided the hijackers of the airplanes of the Islamic Republic of Iran are returned to us. As we have announced before, we condemn any kind of air piracy. On the basis of the laws of our country, punishment for air piracy is from 3 to 15 years imprisonment.

The hijackers of the Kuwait airplane are presently being interrogated. After complete study and investigation, their identities and the manner of their trial will be announced.

Place of Taxes in Islamic Economy

He then responded to the question of our correspondent, who asked: Some view the principle of tax collection as objectionable from a religious standpoint and some consider the implementation of this affair as requiring a second religious decree; what is your opinion in this regard and basically, what is the place of taxation in an Islamic economy? He said:

I do not think that anyone would say that collecting taxes is objectionable on religious grounds. If we want to have an Islamic government, how else can we provide its budget? We either have to sell the resources of our country or our production must increase so much that we are able to provide for all the expenditures of the Islamic government. Essentially, the country must be managed with taxes. We must try not to spend even one rial of our oil revenues on the expenditures of the country in the future, but the country must be managed through taxes the same as other countries do. Wealth, industries and, on the whole, various incomes must be taxed. Concerning the level of tax collection, I must say that enough must be collected to take care of the cost of the one-year and several-year programs of the government. This is our decisive view concerning taxes, and I think many are of the same opinion.

Fighting Corruption and Prostitution

In another part of this interview, the chief justice considered the closure of the borders on smugglers of narcotics as one of the effective factors in uprooting this colonialist phenomenon and referring to the fight against prostitution, corruption and unveiling in the society, he said:

There is no doubt that global oppression plays an important role in spreading prostitution and corruption in our country through cultural and Satanic acts, and we must fight it through cultural and law-enforcement actions. In this area, certain actions have taken place which, in our opinion, are not enough and must be expanded.

Trial of the Leaders of the Outlawed and Treacherous Tudeh Party

In response to a question by another reporter, who asked the reason for the postponement of the trial of the leaders of the treasonous Tudeh Party, he added:

The Tudeh Party has a 40-year history in our country. In the previous regime, this organization was not dealt with seriously. The Islamic Republic of Iran destroyed the organization of the Tudeh Party at the root with strength. Now we no longer have a problem called the Tudeh Party. For the trial of such a 40-year-

old organization, we cannot act in haste. We must deal with this issue in such a way that we will not face any problems in the future. Some time ago, the date of the trial of the leaders of this Party was announced, but the court found new evidence which needed more investigation and research. Therefore, the date of their trial was postponed, and after complete investigation, their trial will begin.

Decisive Dealing with Those Who Commit Bribery

He then emphasized that the number of persons engaging in bribery and bureaucratic corruption has decreased compared to the previous regime, that the judicial branch will deal severely with those involved in bribery, and that a number of the violators have been punished and a number are being investigated. He explained the operations of the headquarters for following up the eight-point decree of the imam of the nation and said:

The follow-up headquarters has been successful in carrying out about 95 percent of the imam's eight-point decree. At the present time, the violations mentioned in the imam's eight-point message have been substantially reduced. Hence, at the present time, the courts of the judicial branch are generally engaged in investigating the cases of the period 21 March 1979-20 March 1981.

Polygamy

Concerning polygamy, the chief justice said:

Investigation of such issues concerns the special civil courts. In such cases, the man and the women go to the special civil court and each defend their opinions and claims. Then, the court issues its opinion. In some cases, it is possible that permission will be granted to the man, and in certain cases, the court will not grant such permission. Even women can go to these courts to get a divorce. If they are right, the court will rule in their favor.

Agricultural Land and the Return of the Feudal Landlords

Then, in response to a question concerning agricultural lands and the return of some of the feudal landlords, he said:

We have announced our opinion previously on this issue in a circular letter to the courts. According to reports which have reached us, some of the large landowners have returned intending to take back the lands transferred to the farmers. We even hear that some courts have ruled in favor of the landlords. We will deal with this problem and will prevent this action. We believe

that until the land law is ratified in the Majlis, the above-mentioned circular letter must be the basis of action.

Guidance and Advice

Then in response to another question by our reporter, who asked why some individuals who are arrested by the patrol for the instruction to do good and prohibition of doing evil are immediately released, he said:

How do you think we must deal with them? For instance, if a woman is not properly veiled, how should we treat her? For example, must we jail women who have husbands and nursing infants for being improperly veiled? We try to guide such individuals with advice and make them realize their mistakes?

Of course, I must mention that we will deal severely with those who want to bring corruption to the society and when arrested, they will not be released. Even if unveiled women resist our leniency and guidance, we will deal with them judicially.

The International Judicial Seminar

Then, pointing out that at present, the four headquarters of the international judicial seminar are engaged in studying such issues as the Islamic judicial system, Islamic law, international contracts and treaties, and human rights from the viewpoint of Islam, he expressed hope that we will be able to hold this seminar early next summer.

Hardship and Destitution

The chief justice then explained the hardship and destitution cases concerning the landlord and tenant law and said:

Hardship and destitution as mentioned in the above-mentioned law concerns both parties. Based on this law, in cases in which the landlord is in hardship or destitution, an eviction notice will be issued for the tenant. However, in cases where the eviction of the tenant will cause his hardship or destitution, an eviction ruling will not be issued.

Article 44 of the Constitution

In another part of this interview, concerning Article 44, the chief justice said:

Certain committees are studying the procedure for the implementation of the law concerning Article 49 of the Constitution in the Supreme Judicial Council. We believe that the three-month deadline of the Majlis given to the Supreme

Judicial Council to implement the above-mentioned law is too short and must be extended.

Inheritance Taxes

Then, in response to a question concerning inheritance taxes, Ayatollah Musavi-Ardabili said:

As I said before, the government can collect taxes from the people based on its plans and there is no difference between inheritance and non-inheritance taxation, because inheritance is also wealth and the government has a right to tax wealth.

In response to another question by our reporter, who asked his opinion in regards to the theft of trucks carrying iron ingots from Bandar 'Abbas to Tehran, he said: The report on this case has reached us. The complete report is in the hands of the public prosecutor of Tehran, who can explain in this regard.

Fighting Against Overpricing and Hoarding

The chief justice then referred to the fight against overpricing and hoarding and pointed out: The special court on guild-related affairs has dealt severely with the hoarders and price hikers. In fact, the decisiveness of this court has raised the objection of some people.

OPEC and the Conspiracy to Reduce the Price of Oil

Then, concerning the recent meeting of the oil ministers of OPEC member countries, he added:

The recent conspiracy to reduce oil [as published] is an economic and political conspiracy. The superpowers want to destroy the political and economic power of OPEC.

The OPEC member countries should stop exporting oil for at least 20 days to see how the industrial countries are able to last for 60 days, and how countries such as England and Norway are able to reduce the price of oil. Only the decision of the recent OPEC meeting, based on the careful control and supervision over oil exports of the member countries, has been so effective that it has even been able to increase oil prices, not to mention what would happen if these countries stop exporting oil for 20 days. We believe that if OPEC deals with this issue more seriously, the reduction of oil prices will certainly be neutralized.

The Islamic Conference and Those Dependent on the Superpowers

In the conclusion of this interview, concerning the meeting of the organization of the Islamic conference in San'a and its ratifications, the chief justice said:

In our opinion, as long as those dependent on the superpowers are present in these conferences, the efforts of such conferences will not succeed.

How can issues such as the Camp David Accords and the Muslims in southern Lebanon be forgotten in these conferences? If these conferences do not want to solve the problems of Muslims, of what value are they? In any case, we are sorry that such conferences, despite their names, are without content.

10,000

CSO: 4640/234

IRAN

COMMERCE MINISTER ELABORATES ON FOREIGN PURCHASES

Tehran KEYHAN in Persian 23 Dec 84 p 1

[Text] Ahvaz. Ja'fari and Nili, the ministers of commerce and mines and metals, who had traveled to Khuzestan to visit with the powerful combatants of Islam, departed for Tehran through Ahvaz.

Before leaving Ahvaz, Ja'fari and Nili participated in an interview with the CENTRAL NEWS UNIT. The Minister of Commerce of our country, who after the visit of the ministers to the fronts and meeting with the brave combatants of Islam, spent two days along with engineer Nili, minister of mines and metals, visiting the combatants in the southern areas, explained the morale of the Islamic combatants as excellent, and added: During this period, there was an opportunity to be among the brothers of several armies. In these visits, the spirit of the brothers on the fronts was excellent, which we found hopeful. In this respect, we hope to have gained some good from it. In continuing this interview, the minister of commerce responded to the situation of commercial purchases of the Ministry of Commerce from foreign countries and said: As a buyer, we usually enter the international market. Competition in price and quality is a question for the purchasers of the Islamic Republic, and we have told this to everyone. The kinds of purchases that we make must be essentially competitive on an international level. However, some of our purchases have a political load. In other words, since we intend to expand our economic and political relations with the oppressed Muslim countries of the world as the Islamic Republic, naturally, when we enter the market with this wish, the quality and price of goods from such countries are not competitive with those of the developed countries. Here, because of the political use that we make of the situation, we do not consider our purchases to be economical, but we compare the total economic and political aspects together. In addition, establishing offices abroad in countries from which we make heavy purchases is anticipated in order to study the quality of goods. In this connection, so far, three offices have been opened which control the details before purchases from foreign countries. In this interview, Ja'fari expressed appreciation to the officials

and employees of the commerce office of Khuzestan Province and referred to the reasons for the shortage of chicken and eggs in Khuzestan Province and some other provinces and how this shortage can be eliminated and said: We took the opportunity to have a meeting with the officials of the general office of commerce in the Province. In the gathering of these brothers, the sensitivity and difficulties of the task were discussed and they were praised for their efforts. The truth is that those beloved brothers who are serving in this Province have a more difficult task than those in the offices in all the other provinces for various reasons, such as the war and the transportation of different forces. Hence, it was appropriate for us to express our appreciation to these brothers in person. In connection with the shortage of chicken and eggs, he said: The shortage of chicken and eggs in recent months is the result of the shortage of chicken feed, and some decisions are being made to eliminate this problem throughout the country. In some areas this shortage has been eliminated.

Also, Nili, the minister of mines and metals, referred to his visit to several parts of the fronts of the war of truth against falsehood and his meeting with the Islamic combatants and said: What was interesting for us in these visits was the spirit and spirituality of these beloved brothers, from whom we benefitted spiritually a great deal. They announced their readiness to inflict the final blow on the decaying regime of Saddam as soon as possible.

Referring to the aid of the employees of the Ministry of Mines and Metals to the war fronts, Nili said: The units affiliated with this Ministry have played an active role in three dimensions, sending forces through mobilization, cash and material help, and eliminating the needs behind the fronts, like other government organizations. If we want to mention it in figures, one of the units affiliated with this Ministry, the Esfahan steel mill, thus far has offered 150 martyrs in connection with the imposed war. Also, other aid to the fronts of the war of truth against falsehood have been significant. But all of this is insignificant compared to the greatness of the combatants, the task that we are responsible to carry out, and the duty that we feel. We hope that all potential will be better used towards the sacred goals of Islam in the future. Concerning the operation of the Ahvaz steel complex, which is one of the three great steel manufacturing complexes in the country, he said: In terms of time, the Ahvaz steel complex is the second complex in the country, which will become operational. Thus far, three-fourths of the physical construction work has been completed and the installment of equipment and other tasks continue with significant success with the manpower training program and preparing identification cards for all the units. One of the direct (midreks) revitalizations of the complex is

about to be put into operation, which is a very positive step, and this success will be effective in starting operations in other units.

This report indicates: In this interview, the minister of mines and metals emphasized the great industrial potential in Khuzestan Province and the investments of various ministries in this Province, he spoke about the increase in production of Iranian steel of the industrial group, which is one of the greatest production units of the country in Khuzestan Province, and said: The Khuzestan branch of the industrial group of Iranian steel, thank God, works very well. Compared to last year, it has had a production growth of 60 percent. In the conclusion of this interview, the minister of industries and mines considered the development of the steel industry to provide for the steel needs of the country, alongside the growth of population, industry and also the resources obtained in terms of raw material and the experience of the experts of the Islamic Republic in starting the operation of the steel complexes and said: We will think about creating industrial units in the mid-term, and long-term in other parts of the country and the policy will be followed persistently.

10,000

CSO: 4640/232

IRAN

CONDITIONS FOR MILITARY DRAFT EXEMPTION ANNOUNCED

Tehran SOBH-E AZADEGAN in Persian 4 Dec 84 p 2

[Text] Eligible physicians, dentists, pharmacists, and veterinarians, born through 20 March 1949; general eligible persons with high school diplomas, bachelor degrees, master's degrees and doctorate degrees other than the medical group born through 20 March 1955 and general eligible persons with diplomas and associate degrees born through 20 March 1959 are exempt from military service, if they have not changed their age. All sorts of documentation, including military service completion, permanent medical guardianship or surplus exemption cards, are valid.

The general military service office announced the above statement and requested eligible physicians, dentists, pharmacists and veterinarians born during the period 21 March 1949-20 March 1966 and eligible persons with bachelors and master's degrees and above born during the period 21 March 1955-20 March 1956 [as published] and general eligible persons with high school diplomas and associate degrees born during the period 21 March 1959-20 March 1966 to report to the general military service office by the end of this year in order to be drafted. This announcement emphasizes that among the absentees, only those who were considered absent before 21 October 1984 will be exempt from social deprivations and this amnesty will not include those whose turn for draft comes after the above-mentioned date.

The announcement of the military service office also states: Eligible college graduates and physicians who are to be drafted at the end of this month will be considered absent if they do not report on time and will be subject to the social deprivations cited in Article 10 of the new general military service law.

According to Article 10 of the general military service law, engaging in the following affairs in regards to those eligible for general military service will require presentation of documents indicating an investigation into their eligibility by

the general military office; a photocopy of the document is a necessary part of their file.

- A. Participation in driving tests and obtaining a driver's license.
- B. Receiving any sort of agricultural, industrial, animal husbandry or housing loan or aid through ministries, government or government affiliated establishments or legal institutions.
- C. Becoming candidates for election to the Majlis, other councils or legal societies.
- D. Obtaining the original of high school and above certificates and degrees from related ministries.
- E. Issuance of business permits and permission for employment and membership in cooperative companies.
- F. Receiving regular pay from government and government-affiliated organizations and legal institutions.
- G. Employment in any form, official, wage, or service purchase, in ministries, government or government-affiliated establishments, legal institutions, or government companies.

Also, eligible physicians, dentists, pharmacists, and veterinarians born from 21 March 1949 and beyond, eligible college graduates born from 21 March 1955 and beyond, and other eligible persons with high school diplomas and associate degrees born during the period 21 March 1959-20 March 1966 who have been considered absent by 21 October 1984 are given six months from the above-mentioned dates if they are in the country and up to one year if they are abroad to report to the military service offices. Should this group of eligible persons fail to report by the end of the announced period, in accordance with individual cases, they will not receive service completions or medical exemptions after they have completed their service or been medically exempt for up to 10 years, and consequently, they will be subject to the regulations of Article 10.

The conclusion of this announcement states that should eligible persons whose turn for draft comes in late fall of this year fail to report on time, they will be considered absent and will be the first group about whom the social restrictions will be implemented.

Dispatching of Draftees

All general eligible persons with less than a high school diploma born from 21 March 1959-20 March 1966 in Tehran who possess

service readiness booklets to be drafted in winter of 1984 are hereby called to service.

The general military service office announced the order for the reporting of the above-mentioned draftees in an announcement as follows:

All general eligible persons in Tehran and other cities who hold service readiness booklets to be dispatched in early winter of 1984 will be dispatched on 12 December of this year.

All above-mentioned general eligible persons must report on the above-mentioned dates in Tehran to Valiy-ye 'Asr barracks and in other cities to the appropriate regiments and centers in order to be dispatched to training centers.

It should be pointed out that eligible persons who have not yet received service readiness booklets must take steps to obtain them as soon as possible in order to be drafted on the above-mentioned dates.

10,000
CSO: 4640/214

IRAN

TRADE WITH GDR REACHED 400 MILLION DOLLARS LAST YEAR

Tehran BURS in Persian 4 Dec 84 p 8

[Text] The volume of trade between Iran and the German Democratic Republic reached the 400 million dollar mark last year.

Klausget, GDR deputy minister for foreign trade, headed an economic and trade delegation to Tehran and was welcomed by Mojtabi Khosrowtaj, deputy minister of foreign trade and Gunther Frietisch, GDR ambassador to the Islamic Republic of Iran.

On his arrival in Tehran the German deputy minister for foreign trade was interviewed by IRNA, where he pointed out that the expansion of relations between the two countries in the technical, scientific and economic fields would benefit both countries and that Germany was ready upon invitation by Iranian experts to determine and supply Iran's needs. He said: Fortunately the increased volume of trade between the two countries has brought about an expansion in economic relations between us. In light of your needs for technology and economic self-sufficiency, the GDR has presented numerous proposals to Iran in the technical and technological areas. In light of the fact that agriculture is pivotal to the expansion of your country's economic relations and in light of the fact that the GDR has made good progress in the agricultural field, this matter can be an important one for cooperation between us.

He then stated that commercial exchanges between the two countries has increased, and that the GDR has increased its exports to Iran in exchange for purchasing petroleum and non-petroleum goods from Iran. Regarding the expansion of relations between the two countries, he said: Recently an Iranian delegation visited our country and this led to an expansion of relations. Furthermore the DGR participated in a big way in Tehran's tenth international exposition during which we put our export goods on display. In this regard he asked Iranian officials to participate in the Leipzig international fair.

At the end of the interview the GDR deputy minister of foreign trade expressed hope that discussions with Iranian officials would lead to the greatest possible increase in commercial exchanges and in other long-term cooperation between the two countries in future years.

Khosrowtaj, deputy minister of foreign trade, was then interviewed. He stated that the visit by the GDR delegation follows the signing of a memorandum of understanding which was signed several months ago by our country's minister of

industries. The memorandum discusses relations and economic and commercial cooperation. He said: Prior to the visit by the GDR deputy minister of foreign trade to our country, a delegation of experts from his country made up of people from the ministries of industry, trade, roads and agriculture arrived in Tehran last Thursday. He noted: The volume of trade between the two countries last year was 400 million dollars. Our exports included fuel, carpets, dried fruits and minerals. In return our imports from Germany included cast iron, steel, boilers, machinery, mechanical and electrical equipment, and other goods. He then pointed to the two countries' cooperation, and said: Among the most important items in this cooperation are the completion and expansion of Iran's transportation infrastructure, the delivery and equipping of several cold storage units, the supply and installation of diesel generators, as well as the delivery and installation of several rolling mills for Esfahan's steel complex, the installation of textile machinery, and the repair of machinery and factories which need spare parts.

9597

CSO: 4640/220

IRAN

ARTICLE DISCUSSES STATUS OF UNESCO AFTER U.S. WITHDRAWAL

Tehran TEHRAN TIMES in English 3 Jan 85 p 2

[Text]

That seems to be the main issue at hand in the United Nations Educational, Scientific and Cultural Organization in the wake of recent pressures of big powers on the relatively independent world body.

If the past is any indication, the world at large met more failures than successes in those fields, particularly the inhuman restrictions imposed on nations under the name of freedom and democracy, the advocates of which leave a trail of blood and death across many countries.

Such fall in "educational, scientific and cultural" values, significantly due to atrocious Superpower policy dictates in a multinational cooperation between peoples, makes it all the more necessary to review, reorganize and reconstruct the global effort at UNESCO on a sounder basis in coming years.

A positive sign of the beginning of such a process is the end of U.S. temperings to shape the destinies of other nations, as the Superpower has withdrawn from the UNESCO as of the New Year. Britain is to follow suit. All the better.

There is a language called logic and another called force. Washington apparently does not feel comfortable with the "educational, scientific and cultural" dialogue - which leaves "other" alternatives gaining momentum- and the White House indifference to such basic issues of human life is now signed and sealed with its withdrawal from the international organization. That, incidentally, leaves the U.S. with its favorite "alternative" of force, a language it has been using for many years now.

The earlier thinly veiled threats of the big powers and their allies and the later enactment signals the failure of an effective solution through intellectual exchange of opinions under a sensible forum available to humanity.

The irrationality behind such agitations and the subsequent war-like stance of big powers is evident for all and must be condemned. Their veto power in the United Nations and their refusal to bow to the majority of the UNESCO members must be noted in this respect.

The absence of monetary support by domination seekers from the United Nations Educational Scientific and Cultural Organization seem to be of little significance measured against the adverse political impact and demoralizing influence of the Superpowers' policy imposition against which the international organization showed a good measure of independence and courage of its convictions.

In the long run, the exit of those powers, though will not help in improving relations between the nations of the world. However, organizations like UNESCO must be strengthened to serve educational, scientific and cultural understanding and to provide similar services to promote the concept of a better world for all.

The Islamic Republic of Iran supports logical and humane solutions to all critical issues involved: if there are shortcomings, the language of logic is the answer, not the failure of human rationality.

It is now up to the intellectuals, free thinkers and justice seekers of the world to make Truth triumph and Falsehood defeated. All lovers of a just and harmonious world for human beings must rescue the world from the present moral decline: It is an obligation they owe to humanity at large.

CSO: 4600/210

IRAN

IMPORT-EXPORT TREND FOR MARCH-SEPTEMBER 1984

Tehran SOBH-E AZADEGAN in Persian 26 Nov 84 p 12

[Article: "A Look at Import-Export Trends in the Country in the First Six Months of 1363 (21 March - 22 September 1984)"]

[Text] In the month of Shahrivar 1363 [23 Aug - 22 Sep 1984] around 20,036 tons of merchandise with a value of 1,883 million rials were exported abroad, which in comparison with the same period last year (13,307 tons valued at 2,012 million rials) represents a 25 percent decrease in value despite the 50 percent increase in tonnage.

Increased exports of medicinal and industrial plants, gum tragacanth, caviar, hides of various kinds, cork, wool and hair, lead ore, stone and building materials, mosaics, ores, and sea salt contributed decisively to the increase in value of exports in the month of Shahrivar [23 Aug - 22 Sep].

In the first six months of this year [21 Mar - 22 Sep 1984] a total of 107,998 tons of goods priced at 14,745 million rials were exported, which compared to exports for the first six months of 1362 [21 Mar - 22 Sep 1983] (91,421 tons priced at 11,345 million rials) showed a 17 percent increase in weight and a 29.9 percent increase in value.

The share of industrial goods exported in the first six months of the current year [21 Mar - 22 Sep 1984] in terms of value was 3.59 percent. In the same period the previous year, exported industrial goods made up 5.4 percent of the total in terms of value.

The share of agricultural goods among exports went from 54.97 percent of the total in the first six months of 1362 [21 March 1983 - 22 September 1984] to 49.88 percent in the same period of the current year. The share of mineral goods exported went from 6.98 percent in the previous six-month period to 16.36 percent in the current year.

The share of carpets and other goods went from 27.42 and 1.38 percent respectively in the first six months of 1362 [21 March categories. 1983 - 22 September 1984] to 24.23 and 1.38 percent respectively in the first six months of the current year. It is not a bad thing now if we look at the types of goods exported and their categories.

A. Agricultural Goods

In the first six months of the current year [21 March 1984 - 22 September 1984] a total of 29,015 tons of agricultural goods priced at 7,355 million rials were exported, which compared to exports of these products in the same period last year (25,385 tons priced at 6,237 rials) represents a 14 percent increase in weight and an 18 percent increase in price. The status of categories and their changes are listed below.

1 - Among agricultural goods, exports of livestock products (wool, hide, and gut) went from 5,642 tons priced at 2,183 million rials in the first six months of 1362 [21 March - 22 September 1983] to 8,892 tons priced at 2,725 million rials in the same period this year. This shows a 57 percent increase in weight and a 25 percent increase in price for these goods.

2 - Seafood exports (caviar, fish, and shrimp) reached a total of 935 tons priced at 1,575 million rials in the first six months of the current year, while in the same period last year only 389 tons priced at 735 million rials were exported. At the same time, only 59 tons of caviar exported last year went to 120 tons, or double the amount, in the first six months of the current year.

3 - Exports of selected agricultural goods in the first six months of the current year reached a total of 1,401 tons priced at 596 million rials. Exports of these goods, which include cumin, licorice, medicinal and industrial plants, various kinds of gum tragacanth, gum arabic and resins, and sweet-root extract, in the first six months of 1362 [21 March - 22 September 1983] reached a total of 2,026 tons priced at 586 million rials, which represents a decrease in weight, but an increase in value. We see that among these items cumin exports decreased significantly, and the same goes for gum arabic and resins, while there was a suitable increase in exports of medicinal and industrial plants and various kinds of gum tragacanth.

4 - In exports of cotton, linters and recycled cotton, we see that linters exports in the first six months of the current year reached 2,530 tons priced at 61 million rials.

5 - Exports of fresh and dried fruits in the period under study reached 14,995 tons priced at 2,397 million rials, which compared to the same period last year (16,928 tons priced at 2,682 million rials) represents an 11 percent decrease in weight and also an 11 percent decrease in price. These decreases result from the decrease in exports of dates, raisins, other dried fruits and weight, fresh fruits during the period under study. The rest of these items also showed a decrease in price despite an increase in weight.

6 - Exports of other agricultural goods went from 400 tons priced at 51 million rials in the first six months of 1362 [21 March - 22 September 1983] to 262 tons priced at 104 million rials, which showed an increase in price despite a decrease in weight.

B. Carpets and Handicrafts

In the first six months of the current year around 1,111 tons of hand-woven carpets priced at 3,574 million rials were exported, while hand-woven carpets exported in the same period last year were 735 tons priced at 2,998 million rials. Exports of this product in the period under study thus increased 51 percent in weight and 19 percent in price. months of 1362 [21 March - 22 September

The share of hand-woven carpets among all the country's imports (in terms of price) went from 26.42 percent in the first six months of 1362 [21 March - 22 September 1983] to 24.23 percent in the first six months of the current year, and this is a danger sign that this industry and art are threatened; it is incumbent upon officials to deliver this industry from its state of stagnation and even decline by adopting protective policies, so that, God forbid, we will not become more dependent on petroleum income because of a decline in this industry, and we will be able to obtain needed currency through this means.

J. Minerals and Construction Materials

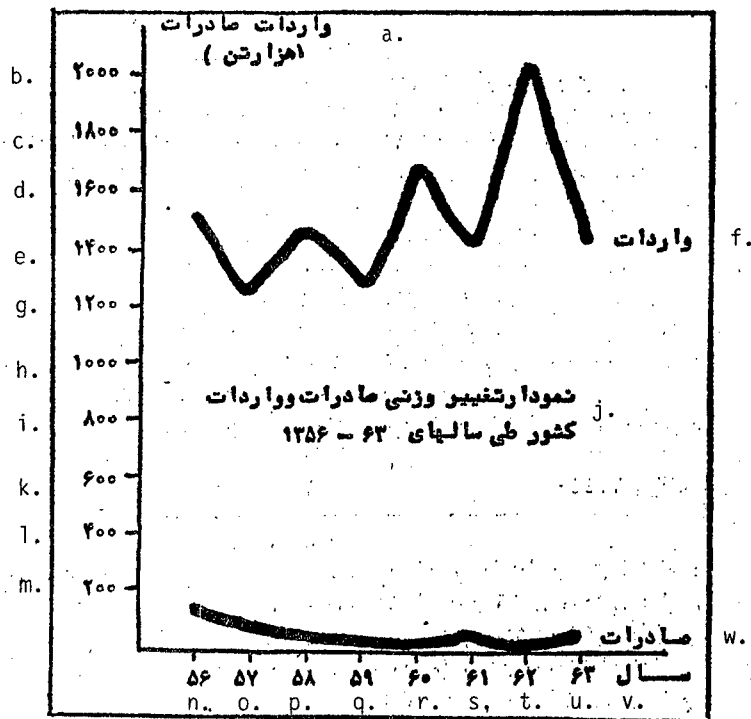
In the first six months of the current year around 67,509 tons of minerals and construction materials priced at 2,413 million rials were exported, which compared to exports of these items in the same period last year (57,552 tons priced at 793 million rials) represents an 18 percent increase in weight and a 204 percent increase in price. Among these items, additional quantities exported included 250 tons of red clay, 11,002 tons of zinc ore, 7,839 tons of lead ore, and 562 tons of sea salt and minerals in the first six months of the current year compared to the same period last year. Exports of metal ores, however, decreased by 6,856 tons. Exports of red clay, which began anew last year, in the first three months of the current year [21 March - 21 May 1984] reached 200 tons priced at 6 million rials, and in the first six months of 1363 [21 Mar - 22 Sep 1984] this figure reached 350 tons, which is a 250 percent increase in weight compared to the same period last year. In terms of price, in the first six months of the current year red clay exports brought in 19 million rials, which represents a 1,102 percent increase over the same period last year, when it was 1.5 million rials.

D. Industrial Goods

In the first six months of the current year around 1,909 tons of industrial goods priced at 530 million rials were exported, which represents a 238 percent increase in weight and a 14 percent decrease in price from the same period last year (564 tons priced at 613 million rials). Exported industrial goods in the first six months of the current year include 356 million rials in clothing (tricot, ready-made clothing, and cloth made from synthetic fibres), 91 million rials in leather and rubber shoes, 30 million rials in cookies and chocolate, 970 thousand rials in prepared medicines, 3 million rials in other chemical substances, 71 million rials in detergent and soap, 3 million rials in aluminum and copper pans, 38 thousand rials in electrical implements and devices, and 317 thousand rials in motor vehicles and accessories. In terms of export prices during the period, textiles from synthetic fibres, leather and rubber shoes, other chemical substances, and detergents and soaps showed an increase.

One may conclude from all these statistics that the biggest part of these industrial exports, excluding soap and detergent, is made up of clothing and leather and rubber shoes. This indicates that the necessary use has been made of the possibilities for other exports, and more attention must be given to this matter.

At this point it is not a bad idea, for a good ending, to look at customs statistics in the first six months of the current year. In the first six months of the current year 9,244 tons of goods priced at approximately 730 million rials passed through the country's customs houses, which compared to the same period last year (10,530 tons priced at 770 million rials) represents a decrease in weight of 12 percent and a decrease in price of five percent. We hope that the national officials, by adopting proper economic policies, will be able to manage the country in such a way that the country's balance of trade will follow a more desirable course.



a. Imports exports (thousands of tons)

- b. 2,000 f. imports
 c. 1,800 g. 1,200
 d. 1,600 h. 1,000
 e. 1,400 i. 800

j. Graph of changes by weight in the country's exports and imports from 1356 [21 Mar 1977 - 20 Mar 1978] to 1363 [21 Mar 1984 - 20 Mar 1985].

k. 600 l. 400 m. 200

- n. 1356 [21 Mar 1977 - 20 Mar 1978]
 o. 1357 [21 Mar 1978 - 20 Mar 1979]
 p. 1358 [21 Mar 1979 - 20 Mar 1980]
 q. 1359 [21 Mar 1980 - 20 Mar 1981]
 r. 1360 [21 Mar 1981 - 20 Mar 1982]
 s. 1361 [21 Mar 1982 - 20 Mar 1983]
 t. 1362 [21 Mar 1983 - 20 Mar 1984]
 u. 1363 [21 Mar 1984 - 20 Mar 1985]

v. year w. imports

Comparative Levels of Foreign Trade in the Month
of Shahrivar [23 Aug - 22 Sep] in the years 1356
[21 Mar 1977 - 20 Mar 1978] to 1363 [21 Mar 1984 - 20 Mar 1985]

Year	Imports		Exports	
	Weight in Thousands of Tons	Value in Millions of Rials	Weight in Thousands of Tons	Value in Millions of Rials
1356 [21 Mar 1977 - 20 Mar 1978]	1,527	83,551	126	3,134
1357 [21 Mar 1978 - 20 Mar 1979]	1,223	81,244	98	3,797
1358 [21 Mar 1979 - 20 Mar 1980]	1,469	43,063	41	2,413
1359 [21 Mar 1980 - 20 Mar 1981]	1,288	91,112	18	3,037
1360 [21 Mar 1981 - 20 Mar 1982]	1,685	167,785	13	1,584
1361 [21 Mar 1982 - 20 Mar 1983]	1,406	98,851	21	2,550
1362 [21 Mar 1983 - 20 Mar 1984]	2,033	144,876	13	2,512
1363 [21 Mar 1984 - 20 Mar 1985]	1,405	102,825	20	1,883

9310

CSO: 4640/188

IRAN

EDITORIAL EXAMINES CONSEQUENCES OF DISSENSION IN OPEC

Tehran KEYHAN in Persian 18 Dec 84 pp 22-23

[Text] Tomorrow the OPEC conference will be held in Geneva, during which time the members of this organization will engage in studying the situation of the oil market as well as the effects of the reduction in oil production. From the "oil world" reports, we have been informed that the OPEC members have not acted upon their commitments in regards to decreased production, each engaging in the unregulated production and unlimited sale of oil as they wish. Considering that in the near future the OPEC conference will be held in Geneva, we will briefly study the OPEC positions.

What we have to say is critical because we have been informed of broken promises concerning the production ceiling by the members of an organization which has promoted unity, not just today or yesterday, but for more than 20 years.

We are addressing the members of OPEC, an organization as wide as all the oil producing countries of the Third World with more than 24 years of experience in protecting the interests of the oil producing countries. We are addressing all the members who have striven to establish the foundation of this organization and, despite the discussions, arguments and the threats of the propaganda machinery of the East and the West which has considered their gatherings and conferences unsuccessful, whose nations have considered them successful and have always striven to carry the decisions out.

And, finally, we speak because we have heard how unfairly the treaty which was signed by the OPEC members has been broken.

A promise broken by one person in OPEC harms everyone. The "OPEC gem" is very valuable, but the OPEC members do not realize its value.

While tomorrow the OPEC members will gather in Geneva to study the situation with regard to the oil market and the level of production decrease by the members, we have been informed that the member countries have ignored the important destiny-making decision of October in Geneva concerning production decreases aimed at increasing demand vis-a-vis the supply of oil, and that every member has produced as much oil as it has wished, selling it at any price that it has wished or found appropriate.

Had the Venezuelan minister of energy known that in the future, members would destroy all that had been built by such tragic isolationist moves, he might never have submitted his first proposal for the establishment of an organization called OPEC to several sympathetic oil-producing countries.

A friend said: Now that the industrial countries and oil companies "with dollars" have striken the roots of OPEC with their axes, and today, when there are sufficient maneuvers against pricing on the part of such countries as England and Norway creating an oil price war, why are there broken promises?

I answered: "Harm comes from our own." If we were strong roots, their sharp axes would not work; but, alas, our roots are weak in the ground.

What the member countries have engaged in today may be a local remedy, but it is no cure. Rather, it increases the pain, because lack of order and coordination today in OPEC will be followed by tomorrow's fall. Whereas, observing the rules and regulations of which we ourselves are the founders and proposers can unite OPEC so strongly that "weakness" soon turns to "strength" and "illnesses" become "cured."

The oil operators and experts of the energy world have differing opinions concerning the level of drilling, operation, exports, and, in short, the manner of investment of the currency obtained from oil. Among them two views stand out. The first group believes that oil, this abundant national resource, must be utilized without limits and the revenues used more than ever before for the welfare of the people who own the oil. This group consists of the people of countries which have oil, especially those weaker countries of the Third World. The second group believes that uncontrolled use of oil resources is a mistake and that some rules and regulations must be followed. This group believes that not only will such use of oil fail to result in the "welfare" of the nations who have oil, but that it will deprive them of the ability to transform from consumer societies to industrial and productive ones. They consider this a true "tragedy"; in fact, the recent past of the OPEC countries is a witness to this claim.

But, despite what the years of utilization of oil have shown in the countries such as the OPEC members, the first group, whose number is not small, carelessly and independent of any place, for false welfare alone, has taken steps unwittingly on a path which is truly the way of the industrial countries, following the functionary ideas of the "cartels and trusts." In other words, this is exactly the kind of view that threatens the future of the oil-rich countries. The industrial countries and oil companies precisely want this black, ugly, but in reality beautiful, product, full of good dollars, to be taken out of the underground resources of the OPEC countries and to be exported as much as possible in order to fill the big pockets of the original owners of dollars more and more every day. Without attention to the terrible situation of the dependent economies of the oil-rich countries, they only want the OPEC production to increase and at the same rate, for the exports to fluctuate, a fluctuation followed by chaos, chaos that will disturb the harmony and unity of a strong organization such as OPEC. Those who fish in this muddy water are the possessors of industry. It is such opportunism which caused the oil-producing countries to contemplate the creation of a harmonious organization. Now, after years of painful arguments, we witness that certain consumer countries of the Third World follow step by step the cartels and trusts and do as the "master" wants.

Countries such as Saudi Arabia and Kuwait, hoping to pile up the oil dollars with the uncontrolled sale of their oil and, by injecting oil revenues into the domestic economy, to increase their per capita income day by day, boast about this economic expansion without economic growth.

It is necessary to mention this point in order to know that there is an obvious difference between economic growth and economic expansion. Economic growth is the increase of national revenues through investments and economic development, which many falsely consider separate from economic growth, which means aggrandisement and inflation by calculating statistics and standards without attention to economic workability [as published]. The best example of these two terms is the efforts of Saudi Arabia and Kuwait to accumulate petro-dollars. This effort is nothing but "economic development," which lacks authentic economic standards and, of course, is different from "economic growth."

Hence, the economic growth of the OPEC member countries is only possible and practical if the oil revenues are used in productive and industrial investments and if these revenues replace the oil revenues, which will eventually end some day. Here you should know that the OPEC NEWS AGENCY, the organ and statistical bulletin of OPEC, declared in 1981 that the time remaining for oil extraction on the basis of that same year's production to be

46 years for Saudi Arabia; for Kuwait, which has the highest figure, 163 years; for Iran, 119 years; and for other members, figures between 8 and 67 years. These years will soon pass and then OPEC will remain with an economy without oil.

The day when many of the fair-minded and logical oil experts consider necessary and urgent for countries such as the OPEC members will be the day that will be the cause and foundation of economic growth. We have said that in order to reach economic growth and replace economic development, the investments from oil revenues must be expanded and the uncontrolled extraction of oil must be prevented. Obviously, to achieve such a success, to make a model of the Western industrial countries is the wrong path to take, because the economic methods of the oil-rich industrial countries, since they have utilized their oil resources for their advances in their active economy, are not the "same" as the economic methods of the OPEC member countries. Because of the critical economic stagnation and lack of necessary exports as well as other similar factors, they need to prepare and devise long-term programs for such things as economic investments.

However, what is being done, wittingly or unwittingly, by some of the OPEC members is nothing but hurrying to achieve "economic development" as soon as possible, which cures no ill and lacks economic value. Efforts along this path will not only fail to accomplish anything, but will result in the escalation of inflation, development without economic balance, the appearance of currency imbalance and finally, the breakdown of the social and fundamental systems in societies such as the OPEC countries. However, if the OPEC countries want to take steps towards economic growth, a large volume could be written concerning the investments they must make, because choosing a sound method in this regard is a most important and sensitive issue.

In short, allocating the oil revenues for expanding the productive and industrial programs of the OPEC countries must be based strictly on measuring the return of that group of investment projects which make feasible national revenue increases resulting from desirable economic workability. In other words, investments by countries must be restricted to those projects and plans which give them the opportunity to transfer the revenues obtained from black gold to a stable national wealth. Following such a policy can set an example for other OPEC members.

On the other hand, it must be mentioned that following the increase in the price of oil in 1973, although on the surface the OPEC members gave slogans in support of protecting their unity and coordination, in reality, believing that in order to have productive and industrial investment expansion production must increase, the promises to preserve unity and other good

statements were forgotten in the frequent OPEC conferences. They later only acted upon such promises superficially and in practice it was observed that members did not pay attention to the fixed production level, which was determined arbitrarily, and the same kind of breach of promise as is witnessed today occurred, breaches of promise which strike blows against OPEC and result in a situation in no one's interest but the industrial countries and oil cartels. Lack of attention to the regulations and standards declared in the OPEC conferences is not new in the history of OPEC, but they have reached a peak in the recent decade. For example, the offering of proposals which were contrary to the principles of the conservation faction of OPEC in 1982 resulted in a chaotic situation in the area of production by members. That year, Saudi Arabia was trying to allot itself more than 50 percent of OPEC production and other members combined would have to produce less than 50 percent. The conflicts increased day by day and caused disharmony in the OPEC production level. The continuation of such destructive policies resulted in the OPEC decision on 14 March 1983 to freeze prices and production levels.

But what is even more painful is since that meeting, despite numerous meetings and conferences, the members break their promises secretly or in the open and cause price wars. Meanwhile, it is the oppressed oil-rich countries alone who are always the losers.

Most astonishing is that in the past conference in Geneva, the OPEC members considered necessary a decrease of 1.5 million barrels in OPEC production and believed that by putting pressure on the supply situation, demand would increase. During this brief period also, a group of the OPEC members decided not to carry out last October's decision fully, and supplies were offered outside the determined framework. With such action, how can we hope for unity and harmony and what promising ray of hope can we set our hearts on? If that is the way things are going to go, what meaning would the OPEC organization have, with all that propaganda and noise?

The continuation of such actions by the OPEC members will not only result in the weakening of this organization, but its destruction. This is precisely what we have always been afraid of and it is what the industrial countries and Western oil companies want.

10,000
CSO: 4640/212

IRAN

MUSAVI: RELY ON TAXES RATHER THAN OIL REVENUES

Tehran TEHRAN TIMES in English 3 Jan 85 pp 1, 2

[Text]

TEHRAN (IRNA)— The Islamic Republic should rely more on taxes rather than oil as its main revenue source, especially with increased threats against its oil exports through the Persian Gulf, Prime Minister Hussein Musavi said in a speech yesterday to a seminar on tax collection and expenditure.

He said an old tradition not to pay taxes to tyrannical governments must change, now that "the people recognize (the positive) direction of our government," and that the rich must be taxed more than the poor.

"What is happening in the Persian Gulf with the support of the Superpowers, shows the fact that they are not going to stop their efforts to make influence our economy and policies," Musavi said.

"If we are only going to rely on oil, we are going to be vulnerable," he added.

A major debate has picked up in Iran on the issue of raising new taxes -- mainly on the rich. The national newspapers print articles and editorials by various personalities and officials almost daily with strong arguments for and

against taxation.

Supporters say new taxes would cut Iran's dependence on oil, which makes up about 50 percent of next year's budget, create more funds for development projects and change the current imbalance in tax collection in favor of people with lower income.

However, those who are against taxes, believe that they are unnecessary because of Iran's oil wealth, and some say taxes other than Khoms and Zakat (Islamic taxes) are basically un-Islamic and therefore the Islamic state is not authorized to impose them.

Two weeks ago, the government was able to pass its draft bill on new tax regulations with a large majority in the Majlis. But the bill could still be defeated or dramatically changed in the law-making process, which is expected to take at least several months.

"We must make the people aware that if they want to make use of the country's facilities, they must also pay for their expenses," the prime minister told the seminar participants.

"And the important point is that those who are using these facilities more than others should pay more taxes.

"Tax is one way to fill the gap between the rich and the poor," he added.

Musavi also pointed out that tax collection figures from recent months showed the government employees paid more than 51 billion rials (\$ 548.4 million), while private businesses paid only 17 billion rials (\$ 182.8 million). "This situation cannot be tolerated by any means," he stressed.

The seminar was also attended by minister of economics and finance Hussein Namazi, Plan and Budget Organization Director Mohammad Taqi Banki, and the chairman of the Majlis economics and finance committee, Hojjatoleslam Hadi Khamenei.

Khamenei accused those who refused to pay taxes on their massive income of aiming at "crippling" the government. The seminar should focus its attention on "clarifying the status of the tax system in Islam's economic system for the society," he said.

CSO: 4600/209

IRAN

NON-OIL EXPORTS INCREASE BY 41 PERCENT

Tehran SOBH-E AZADEGAN in Persian 9 Dec 84 p 2

[Text] In early fall of this year, 96,847,000,000 rials worth of goods entered the country, which is a decrease of 14 percent over a comparable period last year.

A report comparing the balance of foreign trade of the country offered by Iranian customs in early fall of 1983 and 1984 using figures and published by IRNA, in addition to the above statement, indicates: In early fall of the current year, in the area of imports, more than 1,184,000 tons of various goods have been imported into the country, which is a decrease of 14 percent over a comparable period last year. During the same period, more than 23,000 tons of non-petroleum goods at a value of 2,899,000,000 rials have been exported, which shows an increase of 72 percent in weight and 41 percent in value over a comparable period last year.

The figures for the country's major export items in early fall of this year, compared to similar figures for last year, show that in exporting 10,536 tons of dates at a value of 22,357,000 rials, by early fall of this year, the export of this item compared to a similar period [last year] has increased by 200 percent (in value). The export of goods such as pistachio nuts, almonds, different kinds of hides, some metal ores, stone mosaic, construction materials, fabrics, man-made fibers, leather and rubber shoes, and aluminum and copper dishes in the above-mentioned period compared to a similar period in the previous year has increased, and the export of goods such as raisins, fresh fruits, fresh and frozen fish and some agricultural products has decreased.

10,000
CSO: 4640/213

IRAN

SEVENTH REFINERY UNDER CONSTRUCTION IN ARAK

Tehran BURS in Persian 28 Nov 84 pp 1, 8

[Interview with Gharazi, minister of petroleum, in Arak, date not specified]

[Text], Gharazi, minister of petroleum, announced that the country's refinery capacity will increase 25 percent when the Arak refinery is completed.

Gharazi was interviewed by an IRNA correspondent during his visit to Arak to participate in a national seminar of Islamic societies of heads of the tri-regional area, pipelines and communications. Concerning the construction of the country's seventh refinery in Arak, now underway, he said: This refinery is being constructed with a capacity of 250,000 barrels per day. At the present time detailed design connected with the refinery and the purchase of needed equipment are both underway. The construction of its enclosure has also begun. In regards to the amount of time set for the refinery's construction and its role in supplying fuel needed by the country, he said: This refinery will go into operation in 4 to 5 years. When it goes into operation, the country's refinery capacity will increase by 25 percent. Concerning the situation of the Islamic Republic of Iran in OPEC, he said: We are the second exporting member of OPEC, and our government's leaders and officials have always demonstrated an extreme sensitivity to OPEC matters. We wish for OPEC to continue its existence and not to be frightened by internal and external pressures. We also want the price of oil to be stabilized at a level of equivalent energy sources' prices. He added: The price of oil on the world market is under pressure, particularly from factors such as the recent U.S. elections and so on. However, we are confident that the price of oil has been stabilized and protected by the decisions taken by OPEC several weeks ago. Concerning the policy of the Islamic Republic of Iran on oil price stabilization and the preservation of member export share, he said: We abide by the rules made by OPEC, and we support this rule. Our exports are fixed and stabilized in light of the share we have in OPEC. Similarly, we hope that we can be a powerful help to stabilizing oil prices and harmonizing the exporting countries. Regarding the situation of countries, including Nigeria, that have decreased their oil price, following several non-OPEC member countries, he said: Nigeria is not the only one that should be accused in this respect. Rather, the countries outside OPEC have struck more blows against OPEC than its member countries. Nigeria is now in an unfavorable situation, and we are hopeful that this country can control

its exports and return its price to the original one. Concerning supplying the people's need for fuel, he said in conclusion: We have nothing to worry about as far as petroleum by-products distributed domestically are concerned. We also possess sufficient reserves, and we are doing a good job of apportioning for the people.

9597

CSO: 4640/226

IRAN

INDUSTRIAL GLAZE TO BE PRODUCED IN MASHHAD

Tehran BURS in Persian 28 Nov 84 p 4

[Text] Mashhad's first and largest glaze factory will produce 6,000 tons of industrial glaze annually. In addition to preventing the loss of more than 7 million marks of foreign currency annually, the unit will produce 30 percent of the glaze needed by tile, ceramic and metal industry factories.

In an interview with IRNA, the director of the factory's research laboratory stressed the complexity of the chemical formula and the critical and exacting stages involved in preparing glazes, and said: At the present, we import about 30 percent of the raw materials required by the factory's formula since we lack or have not discovered mineral sources for them. The rest are supplied by domestic mines, particularly those in Khorasan Province. Research and study are continuously pursued to replace this 30 percent of raw materials with domestic sources.

Pointing out that Mashhad's glaze factories' production is completely competitive with similar German, Dutch and Italian types that are produced with high levels of experience and expertise, he said: 3 months ago this unit successfully completed its experimental phase. As a side effect it was also able to take effective steps towards supplying non-fusing concrete for rotating glaze-making kilns and the foundry industries. At the present time this type of material is imported from abroad, but if we receive orders from glaze-producing factories and foundry industries, this factory is able to produce about 1,500 tons of non-fusible concrete annually. This will prevent the loss annually of 1.5 million marks of foreign currency.

Pointing to the importance of research in making innovations in the glaze and ceramic industry, he said: The technical engineering group of Mashhad's glaze factories have begun the necessary examination and study to obtain the formula for the composition of high-quality grindstone. Here they have gotten the desired result, and can turn the formula over to units producing grindstone.

Furthermore, the aforementioned group has a great many research projects in hand, including the experimental production of heat-resistant paints utilized in the ceramic industries. He added: Differing working conditions exist in ceramic factories and the metal industries. Therefore, after Mashhad's glaze

factory's laboratory has produced a product meeting the standards of acceptance, it carries out experiments on samples obtained from other factories producing ceramic in order to thoroughly observe the binding of the sample and the glaze. This will not only improve the quality of the tile and ceramic produced, but will also establish close cooperation between this unit and other ceramic-producing units.

9597

CSO: 4640/229

IRAN

MAJLIS SPEAKER URGES TO 'CEASE DUPLICITY IN CHRIST'S NAME'

Tehran TEHRAN TIMES in English 2 Jan 84 p 1

[Text]

TEHRAN (IRNA)— Majlis speaker Hojjatoleslam Akbar Hashemi Rafsanjani, speaking in the open session of the Majlis here yesterday, congratulated the Christian world on the occasion of the New Year and expressed the hope that Christians would implement the teachings of Christ (A.S.).

He further hoped that followers of Christ (A.S.) would exert pressure on the world oppressors, who under the pretext of Christianity are doing injustice, to stop fanning the flames of war, the massacre of people, and spreading corruption.

The first speaker of the session was the Deputy from Babol, Mazandaran Province, Valliollah Zamani, who condemned the recent Iraqi air attacks on the residential areas of Susangerd and Bostan, Khuzestan Province.

He said that eastern and western powers think in vain that the Iranian people would give up because of such actions.

The deputy from Kordkuy Mazandaran Province, Mohammad Baqer Dawoudi, who commented on the anniversary of the Soviet occupation of Afghanistan, said that after five years of occupation, it now has become clear that the Red Army is unable to crush the struggle of the Moslem Afghan Mujahideen.

He further added that now

the armed struggle of the Moslem Mujahideen has reached its peak and warned that the oppressors should know that the Afghanistan and Pakistane crises were Islamic issues and called for the support of all Moslems.

Hojjatoleslam Sadeq Khalakali from the holy city of Qom, said that re-election of Ronald Reagan as U.S. President was a tragedy of history.

Following his re-election, he announced the U.S.'s unconditional support for the Zionist regime, and has been openly backing it in its occupation of Southern Lebanon.

On the issue of Palestine, he said that the Islamic world could never ignore the issue, and that to do so would mean neglecting Islam. Crimes committed in Southern Lebanon, he emphasized, aimed at destroying Islam.

He then referred to the leakage of poisonous gas from a pesticide subsidiary of the American Union Carbide Company, in Bhopal, India. He condemned the silence of the Western media and Reagan on the issue and described it as a heinous crime.

He also commented on the dispatching of American Marines to protect the U.S. Embassy in Baghdad, and said that such tight security showed that the people of Iraq were against the reopening of the embassy and renewal of its

plots against the Iraqis.

At the end he condemned the Soviet occupation of Afghanistan and said that the Moslem people of that country have been resisting the occupying forces only through relying on Islam.

The session ended at noon and the next meeting is scheduled for Thursday morning.

CSO: 4600/204

IRAN

OFFICIAL DISCUSSES IRAQI CAMP INCIDENT, 'VIOLATIONS' BY IRC

Tehran JOMHURI-YE ESLAMI in Persian 26 Nov 84 p 15

[Text] Mr Kamal Kharrazi, the director of the war information headquarters, in a gathering with domestic and foreign correspondents and a number of the press attachés of the embassies in Iran, explained the Gorgan POW camp incident and the violation by the International Red Cross.

According to our reporter, the director of the war information headquarters addressed the correspondents of the mass media and said: "First, it is necessary to investigate why such incidents occurred in some of the Iranian POW camps and the sources of these incidents. You know that in Iraq different groups exist and among them is a minority party called the Ba'athist who rule this country. Certainly you are aware of the Iraqi problems and no doubt, as long as this dictator government rules Iraq, naturally these problems will exist." He added: "When Iraqi prisoners of war settle in these camps they face complete freedom. Every Iraqi prisoner has freedom of thought. Among them a number of Muslim and anti-Iraqi regime prisoners of war try to prove that their beliefs are true. Definitely in such an atmosphere disputes will arise. We certainly use our efforts with reasonable policies to prevent incidents, but we cannot prevent the expression of different opinions by the prisoners. In these conditions, you must agree that if some threatening remark is made, the prisoners will attack each other and incidents will occur."

Then Dr Kharrazi, in regard to the violations by the representatives of the International Red Cross in the Gorgan POW camp said: "Regretfully, some of the representatives of the International Red Cross while visiting Iranian camps, have used threats and have created the background for the incidents. The representatives of this organization with their talks in this and other camps in Iran have tried to create conditions for tension to practically make these incidents." He added "In this same camp the Red Cross representative told a number of the pro-Ba'athist party prisoners: 'Be united with each other until the Muslim prisoners are secluded.' Doesn't this kind of talk create the condition for the incident in this camp? We have plenty of documents which indicate the interference of the International Red Cross representatives in creating commotion in the Gorgan POW camp. For example, one of the prisoners in his own handwritten letter has explained the incident. He has confessed that the representative of the International Red Cross has compiled a list of names of the anti-Iraqi regime prisoners and was forwarding

this list to the ruling government of Iraq. It is interesting that the Red Cross representative through their own behaviour have caused the religious people in this camp not to trust them at all; a representative of a world organization should not behave in such a manner that the prisoners think this way about them." He said: "Today, with our documents we will reveal that the Red Cross, this so-called neutral organization, has committed treacherous acts in Iran."

Then the director of the war information headquarter explained the details of the Gorgan POW camp incident for the domestic and foreign correspondents and said: "The POW camp incident happened on 10 October 1984 and as a result three of the anti-Iraqi regime prisoners were killed in a heart-rendering manner, around forty prisoners were injured, and three other camp prisoners were killed during the guards shooting. In reference to this, one of the Red Cross representatives present at the incident confessed that the Iranian officials ended the incident in the best possible way." He added: "Without a doubt, we recognize the Red Cross as the principal cause of this incident. The prisoners themselves have confessed that the Red Cross representatives caused the incident. The Red Cross, through the issuance of a worldwide announcement, informed all nations about the incident. The question arises of why the Red Cross made such a hurried judgement and tried to express the truth in another manner. Why didn't this so-called neutral world organization mention the conditions of the incident? Is it possible to create such an incident in the POW camp without any reason and incite the prisoners? The Red Cross should always preserve its neutrality. Nevertheless, through the issuance of such an announcement, it has proved that it is not a neutral world organization."

Mr Kharrazi said this about the issuance of the Red Cross announcement during such sensitive conditions: "If we pay attention, we realize that the timeliness of the announcement by the Red Cross is not without a premeditated plan. This announcement was issued when Iraq was determined to establish relations with the U.S. Also, at the same time as this matter, regulations to curtail chemical warfare were being discussed and the Red Cross tried to exaggerate the POW camp incident to overshadow these two issues."

Then Mr Kharrazi said this about the problems of Iran with the International Red Cross: "Unfortunately, we have enormous difficulties with the Red Cross since the Red Cross violations in Iran have occurred several times and among them is the compiling of information which we call spying. The representatives of this organization have always tried to gather the names of the Iraqi prisoners (the example in this incident is clear) and put them at the disposal of the Iraqi regime." He said: "What is the purpose of collecting the names of the Iraqi prisoners and what use do they have for the Iraqi regime? In any case, before this, we sent a general list of the names of all the prisoners to Iraq through the Red Cross. To take advantage of this incident is nothing but political and information exploitation. Don't the Iraqi Muslim prisoners have the right to ask why their names have been put at the disposal of the Iraqi regime again? Wouldn't you call this action spying? The next question is the lack of Red Cross neutrality. Certainly, some of the representatives of this organization, when they enter Iraqi POW camps in Iran, try

to say evil things about the Islamic Republic of Iran's rule to the Iraqi prisoners and even take the side of the Saddam regime. Do you call this attitude neutrality? Why does the Red Cross claim that the lives of 50,000 Iraqi prisoners in Iran are in danger? Now for the third violation of this organization. Why hasn't the Red Cross performed its duties towards the Iranian prisoners in Iraq? Why hasn't this organization tried to look into the fate of Iranian POW's in Iraq? Why haven't they used an efforts to free our country's prisoners who have been in Iraqi POW camps since the beginning of the war? Finally, despite several visits by the representatives of the Red Cross to Iraqi POW's in Iranian camps, why haven't they filed any reports in this regard? Why is the Red Cross present in Iran? Don't the Iranian officials have the right to be suspicious of these individuals? We hope that with the information we have furnished to the members of the mass-media and the film that you are about to see, you will be able to reflect the truth for the nations of the world.

According to the same report, following the circulation of a series of documents and the showing of the film about the Iraqi POW camp in Gorgan, the director of the war information headquarters answered reporter's questions.

9815

CSO: 4640/175

IRAN

MAJLIS BEGINS DEBATE OVER DIRECT TAX BILL

Tehran KEYHAN in Persian 18 Dec 84 p 22

[Text] KEYHAN Political Service. The Majlis began study of the direct tax bill today. This bill is divided into five parts, each consisting of several chapters, with a total of 269 articles, and is one of the important laws to be discussed in the Majlis this year.

In the following, we take a brief glance at the articles of this 103-page bill. The general topics of this bill have been included here.

The first part of this bill identifies those persons subject to taxation. According to the articles of this chapter, every actual or legal person, whether Iranian or non-Iranian, is subject to taxation on his land located in Iran and every Iranian is subject to taxation on his income in Iran or abroad.

The first chapter of this bill makes explicit that all landlords, beginning 21 March 1985, will be exempt up to 5 million rials on the total value of their lands within the city and township limits, and must pay taxes on the remainder. These taxes will range from 2 to 10 percent on 200 million rials.

Also, in this part, the spouse of any person whose spouse or children are his dependents and who has no property or land will be exempt from property taxes up to half a million rials, and for every child (up to two children), up to 2.5 million rials.

Also, if a person and the members of his family have only one residential unit, he will be exempt from taxes up to 30 million rials, but must pay taxes on the excess.

The bill also calls for taxes on unoccupied residential real estate. If real estate in the provincial capitals and the cities of Qazvin, Ardabil, Neyshapur, Babol, Gorgan, Qom, and Karaj is unoccupied for more than four months, a tax payment of .2 percent

up to one year for every month and .4 percent beyond one year for every month must be paid.

Barren lands within the limits of the above-mentioned cities are also subject to taxation up to two years at 2 percent, for four years at 4 percent, and over four years at 5 percent.

Taxes on Final Transfer of Property

The bill also establishes a tax of 2 percent on the final transfer of property up 1 million rials and 3-20 percent on anything exceeding that amount.

On the subject of inheritance tax, the heirs in classes 1 and 2 are exempt up to 500,000 rials, and a tax rate of 15 percent will be assessed on heirs in class 3.

The first class (father, mother, wife, husband, children, and grandchildren) will be exempt from taxes up to the amount of 2 million rials; then, for 20 million rials and above, a tax rate of 10-50 percent will be assessed on the difference [as published].

The second class of heirs, including grandparents, brothers, sisters, and their children, will be exempt from taxes up to 500,000 rials, and the excess will be taxed from 15-65 percent. Concerning the third class (paternal uncles, paternal aunts, maternal uncles and maternal aunts and their children), without any initial exemptions, the tax rate will be 15-80 percent on the excess.

Also, in the income tax section of the bill, Article 77 considers lands that are used by non-owners as rental in terms of taxation, and income tax will be assessed on the total rent, including cash and non-cash, after deducting 25 percent for cost, attrition, and the landlord's commitments regarding the lease.

This bill also announces that taxes on salaries, or income taxes, will be exempt for those making up to 40,000 rials per month, and on the surplus, taxes will be assessed at different rates. In other words, at present also, persons are exempt from taxes on up to 40,000 rials of income. The income tax rates on salaries in the new bill are calculated annually as follows:

Up to 480,000 rials annually, exempt.

Over that, income up to 30,000 rials, taxes at 4 percent annually.

Up to 600,000 rials, on the additional 300,000 rials, 5 percent.

Up to 900,000 rials, on the additional 600,000 rials, 6 percent.

Up to 1.2 million rials, on the additional 900,000 rials, 8 percent.

Up to 1.5 million rials, on the additional 1.2 million rials, 10 percent.

Up to 1.8 million rials, on the additional 1.5 million rials, 12 percent.

Up to 2.4 million rials, on the additional 1.8 million rials, 15 percent.

On amounts exceeding 2.4 million rials, taxes will be assessed in accordance with the rates established in Article 120 of this law, which will be 22-80 percent on the income exceeding 12 million rials.

Part 4 of the bill states that the revenues of factories shall be exempt from taxation for five years from the date of ratification. If the factory is located in the Provinces of Sistan and Baluchestan, Kurdistan, Chaharmahal and Bakhtiari, Kohkiluyeh and Boyer Ahmad, Ilam, Hormozgan (except for Bandar 'Abbas), or the cities of Ahar, Khalkhal, Hashtrud, Meshkinshahr, Naqdeh, Piranshahr, Maku, Sardasht, Qasr-e Shirin, Paveh, Eslamabad, Sanqez, Izeh, Dasht-e Azadegan, Ramhormoz, Behbahan, Bandar Mahshahr, Lar, Eqlid, Estahbanat, Sepidan, Darreh Gaz, Gonabad, Tabas, Taybad, Ferdows, Torbat-e Jam, Kashmar, Ardestan, Fereydan, Na'in, Semirum, Bam, Zarand, Shahr-e Babak, Baft, Bafeq, Dashtestan, or Taft, the period of exemption will be 10 years.

The bill also states that the following activities are not exempt from taxation:

The production of alcohol and alcoholic combinations, except for industrial alcohol, ice cream manufacturing, chewing gum manufacturing, rice milling, tea drying, spice manufacturing, dry goods manufacturing, ice making, soft drink manufacturing, the production of any sort of confection, the production of compote and canned foods, the production of cans, boxes, and all sorts of chips, salted crackers, cheese puffs, (kamak), and the like. The list contains a total of 56 items, including the manufacture of toys and entertainment.

The tax year in the new bill extends from 21 March to 20 March. This bill also discusses perishable costs, tax factors, duties of tax collectors, duties of third parties, tax procedures and fines, tax collection, notification, implementation and collection, the decision making organization and tax authorities, the supreme tax council and its duties and authority, and law enforcement officials and the supreme disciplinary committee and their duties and authority.

IRAN

BRIEFS

INCREASE IN REFINED CRUDE--The Ministry of Petroleum's Public Relations Office announced that during the month from 23 October to 21 November of the current year the average amount of refined crude oil produced by the country's active refineries daily reached 722,082 barrels for the first time. This is about 30 percent more than the nominal capacity of the country's refineries. The Shiraz refinery, utilizing equipment to prepare blown tar, has been able to produce three types of tar simultaneously and supply them to consumers. Additionally, the distribution unit for the first-time has been supplying a daily average of 3.85 million liters of liquified gas to the National Gas Company, and 95 million liters of four major petroleum by-products, gasoline, kerosene, diesel oil and fuel oil to to consumers. Furthermore, for the first time 8,500 tons of sulfer produced by the Esfahan refinery have been exported. [Text] [Tehran BURS in Persian 28 Nov 84 p 8] 9597

SARAVAN POWER PLANT INAUGURATED--Inaugural ceremonies were held for the new 4,500-kilowatt electric power plant in the Saravan city-region, which has been named for Shahid Nabi-Ardelani. The ceremonies were attended by the martyr's great family, the governor of Saravan, the managing director of electricity for Sistan and Baluchistan, and a group of officials from Saravan's executive agencies. The plant then went into operation. According to the report by IRNA's correspondent, Saravan city-region's new electric power plant possesses three 1,500-kilowatt generators, occupies 120,000 square meters of area, and cost 430 million rials to build. The entire cost of it was paid for by the Sistan and Baluchistan regional electrical joint-stock company. According to the report, the new Saravan city-region power plant was considered instead of three 30,000 kilowatt generators. In the future it will be able to provide electrical coverage to all of the villages on the Saravan-Suran-Zaboli axis and the Saravan-Esfandak-Gasht axis. According to the report, the power plant includes various sections, such as organizational units, wire-making workshop, warehouse, and the power plant building itself. Seventy-two million rials were spent on building the three-door organizational unit with 400 square meters of space, 10,522,000 rials were spent on building three fuel storage tanks with 200 cubic meter capacity, and for making the foundation, purchasing, transporting and installing the three 1,500-kilowatt generators the sum of 732,546,000 Japanese Yen was spent, equivalent to 50,775,000 rials. [Text] [Tehran BURS in Persian 28 Nov 84 p 8] 9597

AIRBASE CONSTRUCTION INSPECTED--Hamadan, Dec. 23, IRNA--The minister of housing and urban development, Serajeddin Kazerouni [all names as received], inspected an airstrip under construction at the "Nojeh" airbase as well as a highway overpass here Sunday. At the military base where an airstrip and residential units for the airbase personnel are being built, the minister gave guidelines on completing the work. Later, he inspected a million dollar highway overpass connecting the Tehran-Hamadan junction. The minister also attended a meeting at the local housing department here where he introduced its new head, Naser Me'mar. During the inspection tour, Kazerouni was accompanied by the Air Force Commander Colonel Houshang Seddiq and a number of housing and Air Force officials. [Text] [Tehran IRNA in English 1610 GMT 23 Dec 84 LD]

JUDICIAL OFFICIALS THANK KHOMEYNI--Tehran, Dec. 24, IRNA--The Supreme Judicial Council sent a message Monday to Imam Khomeyni praising him for the emphasis he had placed on the independence of the judiciary when he had received top judicial authorities Sunday. The message said Imam's speech on the importance of non-intervention in judicial matters and prompt implementation of rulings was an encouragement to all judicial authorities. The message said the Supreme Judicial Council and other law authorities vow to continue their efforts until the full implementation of Islamic laws and the purging of all un-Islamic behaviour from the society. [Text] [Tehran IRNA in English 1407 GMT 24 Dec 84 LD]

TRADE EXPANSION WITH GDR--Klausget, GDR deputy minister of foreign trade, has been staying in Tehran for several days, and following meetings with high-ranking authorities from the Islamic Republic of Iran, met with Ja'fari, our country's minister of commerce. In this meeting issues of interest to both parties were discussed, and Klausget stated: We look at your country as a revolutionary country which holds great value for its own progress and elevation. He added: Full relations between Iran and the GDR became more firm after the Islamic revolution. For example, in the trade field the volume of commercial exchanges showed noticeable growth in the years after the Iranian revolution. He expressed hope that commercial relations between the two countries would continue to grow in the future. Then our country's minister of commerce explained the Islamic Republic of Iran's foreign trade policies. [Text] [Tehran BURS in Persian 9 Dec 84 pp 1,8]

COMMERCIAL COOPERATION WITH GDR--The deputy minister of foreign trade of the German Democratic Republic is leading a delegation that is visiting our country. During a meeting that he had yesterday with Shafe'i, minister of industries, he said: In June of next year a joint Iranian-GDR commission will hold sessions. Within the framework of the commission's plans, the GDR will be able to provide more resources from the standpoint of technical and economic cooperation to the Islamic Republic of Iran. Among other things, our country can cooperate in building flour mills, machine-tool factories, cement factories, in the rebuilding and renovation of existing industries, and in increasing the industrial capacity of the Islamic Republic of Iran. [Text] [Tehran BURS in Persian 5 Dec 84 pp 1,8]

OIL EXPORT TO GDR--Klausget, GDR deputy minister of foreign trade, now staying in Tehran, met and spoke with the deputy minister of petroleum for international affairs at the ministry the day before yesterday. Following discussions between the two sides, an agreement was signed according to which the Islamic Republic of Iran will export one million tons of crude oil to East Germany in 1985. If the two parties agree, the aforementioned amount can be increased to 1.5 million tons. [Text][Tehran BURS in Persian 6 Dec 84 p 2]

INDUSTRIAL COMPANIES FOR SISTAN/BALUCHISTAN--The Industrial Mini-City Board has approved a plan for the construction of industrial mini-cities aimed at concentrating production units and providing necessary facilities such as water, electricity, enclosures, roads, as well as other resources necessary to the industries in the industrial mini-cities of Zabol, Khash, Iranshahr and Chahbahar. According to an IRNA report, the Sistan va Baluchistan Central Bureau of Industries has examined the aforementioned areas and selected suitable land. Surveying operations have been completed for industrial land selected in the Zabol and Kenarak city-regions. According to the report, in order to create and expand industries in the Sistan va Baluchistan Province, during the second quarter of the current year the province's central bureau of industries has issued the following: 12 bills of basic agreement, 1 identification card, 4 building permits and 3 operation permits covering 105 persons employed in these units capitalized at 211 million rials. The office has also issued 18 extensions of basic agreement for a 6-month period, 3 4-month extensions, 3 3-month extensions, 1 2-month extension, and 2 6-month extensions of building permits. The report also indicates that the province's central bureau of industries has taken fundamental steps in the first 3 months of the current year to construct a cement factory in Khash with a 200-ton daily capacity and to build a prison workshop in Zahedan's municipal police station, as well as concluding a contract to construct and equip a bio-gas well with a 25 cubic meter capacity with the citizens of the Gurbid village on the outskirts of Zahedan. [Text] [Tehran BURS in Persian 6 Dec 84 pp 1, 8] 9597

CSO: 4640/229

PAKISTAN

POSITIVE ROLE OF USSR IN TALKS ON AFGHANISTAN URGED

GF031355 Karachi MASHRIQ in Urdu 31 Dec 84 p 3

[Text] On the fifth anniversary of the Soviet invasion, the anger and displeasure expressed in important world capitals by the Afghan mujahidin against the Soviet occupation of their homeland, and the force with which world leaders have condemned the aggressive role played by the Soviet Union in the Afghanistan problem, should open the eyes of the Soviet leadership. They should realize that the resistance of the Afghan public, despite the passage of time, is assuming a more vigorous form. The world conscience is also feeling the pain of this human tragedy. President Reagan is right in saying that the Soviet Union is not justified in its actions toward the people of Afghanistan. Ten EEC members have expressed their concern for this issue in a joint statement. They said that the Soviet Union has not played a positive role in Afghanistan, as the key to this problem lies with that power. In their statement they said that in order to end this human tragedy, it should withdraw its forces from Afghanistan without further delay. Afghan mujahidin operations also have assumed a more threatening attitude in Afghanistan. Despite their limited resources they have brought the joint Soviet and Karmal forces to their knees.

World attention is now set on the next round of the Geneva talks. If the Soviet Union expresses its willingness to withdraw its forces from Afghanistan in the course of these talks, then there is bound to be progress. It is a happy omen that under pressure from world opinion and also in view of the situation in Afghanistan, the Soviet Union has expressed its willingness to join in the efforts to find a peaceful political solution to this problem. In a recent statement, its ambassador in the United States stated that the Soviet Union will play a positive role in the next round of the Geneva talks to make them fruitful.

We think that the only positive role the Soviet Union can play in this respect, in the next round of talks, is to set up a timetable for the withdrawal of its forces from Afghanistan. It has already expressed its readiness to do so after receiving international guarantees against external interference. It is not so difficult to come to a decision on this issue. As far as Pakistan is concerned, the Soviet Union should rest easy that Pakistan does not wish to create unnecessary difficulties for the Soviet

Union, and that Pakistan will never interfere in the domestic affairs of Afghanistan. Pakistan's only desire is that this problem should be resolved peacefully and at an early date so that the Afghan mujahidin may return to their homes safely and honorably. The Soviet Union should trust the sincerity of Pakistan's stance on this issue and should try to make the next round of talks fruitful.

CSO: 4656/60

PAKISTAN

PIRZADA'S ELECTION SEEN AFFIRMING PAKISTAN'S ICO ROLE

GF231630 Karachi DAWN in English 21 Dec 84 p 15

[Editorial: "Pakistan's Election"]

[Text] The election of Mr Sharifuddin Pirzada as secretary-general of the Organisation of Islamic Conference [Islamic Conference Organization, ICO] is an affirmation of the role that Pakistan has been playing both within and outside the ICO. As one of the more prominent upholders of Islamic solidarity, Pakistan has been in the fore-front in suggesting measures that will promote this cause.

It has itself tried to set an example in this respect by entering into joint ventures with some Muslim states in pursuit of the objective of more meaningful cooperation among the members of the Islamic fraternity. More significant have been Pakistan's efforts to make the organisation an effective political institution, so that it emerges as a vital force in international politics. For instance, in 1974 Pakistan played host to the second Islamic summit in Lahore and from then on Pakistan had the honour of heading the ICO until 1981.

Two Islamic foreign ministers' meetings were held in this country in 1980, the year President Ziaul Haq was asked to address the UN Assembly as the chosen representative of the Ummah. Islamabad has also played an active role in bringing Egypt back into the fold of the ICO and in initiating peace moves to bring about an end of the Iran-Iraq hostilities, although this objective remains yet to be achieved.

The new secretary-general has a challenging task before him. The ICO has not been as effective in promoting cooperation and unity of approach and action as might be expected. Cooperation among Muslim nations, for instance, in the economic or scientific fields is still at a rudimentary stage and although a number of projects have been started, they have not been able to make sufficient progress.

An important call of duty for the ICO secretariat now will be to put more vigour into this process. Similarly, trade amongst Muslim countries has not reached the level it can attain and there are several shortcomings in this respect. It is to be hoped that in the future the ICO will be more

successful in promoting unity, both at the economic and political levels. Where this latter is concerned, one hopeful sign has been Iran's presence at the Sanaa foreign ministers' conference, the first time it has attended an ICO meeting since it ceased taking an active interest some years back.

It is possible that this development might create the climate necessary to make the ICO peace moves in relation to the Iran-Iraq war more propitious. In any case, it is a chance that should not be overlooked, for if the ICO can bring about peace in that region, it will be a significant achievement to its credit and demonstrate its capacity as an instrument of conciliation.

No less important is the need to hammer out a unified ICO strategy for solving the Middle East problem according to the fundamental principles and rights involved in the conflict.

CSO: 4600/185

PAKISTAN

OIL PRODUCTION, TARGETS VIEWED

GF231602 Karachi DAWN in English 20 Dec 84 p 7

[Editorial: "Oil Outlook"]

[Text] Indigenous oil production in the country now amounts to 25,000 barrels per day (BPD). The output exceeds the target laid down by the Sixth Plan. This good record, however, does not mean that a substantial part of the national oil need is being locally met. The present output comes to a mere 22 per cent of the requirement of the country which currently stands at 1,30,000 BPD [figure as published]. Since this demand can be expected to rise in future, the gap between demand and output will further widen and the country will have to spend more on oil imports.

Pakistan at present needs 120 million barrels of oil equivalent (BOE) of commercial energy per annum, nearly three-fourths of which comes from oil and gas. An official study shows that the total oil and gas demand in the year 2000 will increase to about 300 million BOE. For meeting this huge demand, production of oil and gas has to be stepped up rapidly in order to save the drain of foreign exchange on the import of crude oil and petroleum products which eat up about 60 per cent of the country's foreign exchange earnings.

The recently stepped-up efforts have yielded results and oil production has been doubled. This has been possible because of the massive increase in the drilling activity from a low 39 metres per month in September 1983 to 4,000 metres per month now. The pace of drilling, it is obvious, has got to be further increased if still better results are to be achieved.

Several oil discoveries in Lower Sind in quick succession have provided the much needed fillip to the search for black gold. This area is full of promise. Therefore, the drilling of wells should be stepped up here, while off-shore prospecting should also be taken in hand without delay.

The target of 250 wells to be drilled during the Sixth Plan is modest and it should be revised upwards. By locating additional drilling projects in the proximity of the areas which have produced oil, the oil companies can economise on drilling costs.

New projects can boost energy production. The thirteen dormant gas wells must also be developed immediately to relieve pressure on the existing supplies which have proved inadequate, leading to load-shedding on a number of occasions. According to the Federal Minister for National Resources, the country has 200 million barrels of discovered, recoverable reserves of oil, while those of gas are ten times more. But it will require huge investments running into billions of dollars to fully tap these oil and gas reserves.

The scale of investment may appear to be very high, but it is imperative that financial resources should be found to increase indigenous oil and gas production in order to avoid a serious slowdown in national development.

CSO: 4600/185

SRI LANKA

FIVE-YEAR INDUSTRIAL PLAN UNDER CONSIDERATION

Colombo THE ISLAND in English 2 Jan 85 p 3

[Article by B.C. Perera]

[Text] A five-year Industrial Plan is to be drawn up on the instructions of the new Minister of Industries and Scientific Affairs, Mr N. Denzil Fernando.

Mr Fernando told The Island that he has asked President Jayewardene to appoint a Cabinet Sub-committee for this purpose. The Plan will be part of the Industrialisation Policy of the country for the next five years and the Strategy of Implementation to be followed. There will be no haphazard administration of the nearly 50 corporations coming under his Ministry, he said.

A major change in the sprawling Ministry, he said, would be the separation of the Industrial Development Board (IDB) from the Ministry of Industries and Scientific Affairs, bringing it under the purview of the Ministry of Rural Industrial Development "where it rightly belonged, because the IDB itself was concerned with the development of rural industry."

Answering questions about his relations with Mr Cyril Mathew, the former Minister of Industries and Scientific Affairs, Mr Fernando said "I was never involved in the controversies that surrounded Mr Mathew. He was, however, one of the fairest minded, considerate and patriotically efficient Ministers I have come across. Our relations were very good. I am sure he will say, "Denzil was a devoted deputy." However, I kept my distance from Mr Mathew's controversies. After I assumed duties, Mr Mathew himself extended his unstinted co-operation and asked the officials of the Ministry to give their fullest co-operation to me."

Asked why he dissolved the boards of all corporations coming under his Ministry, he explained that he wanted to have "clean and patriotically-efficient" managements which play such a vital role in the economy of the country. He, however, did not encounter any difficulties in matters such as signing cheques. He had given temporary legal authority to General managers to carry out these functions. Only the very best and efficient people will be appointed to these boards, he said.

Mr Fernando said most of the industries in Sri Lanka were salt based and salt is something we have in plenty. A second caustic soda factory will receive top priority in the new Plan. The cost of production of many industrial goods produced in Sri Lanka is high because salt-based raw materials have to be imported. The only factory producing caustic soda and associated chemicals is the Paranthan Chemicals Factory at Kilinochchi in the North. A second such factory will be established at Embilipitiya.

Only 5% of the natural rubber produced in the country is used in the manufacture of various rubber-based goods. In the next five years, Mr Fernando hopes to increase this to at least 25% of the total natural rubber production. The natural Rubber Processing Centre in Peliyagoda will be streamlined to meet the new demand.

CSO: 4600/211

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