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JPRS-NEA-86-043

3 APRIL 1986

Near East/South Asia Report

19980807 148

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REGIONAL AFFAIRS

STATUS OF MAGHREB ALLIANCES EXAMINED

London AL-TADAMUN in Arabic 8-14 Feb 86 p 12

[Article by Abu Bakr al-Sharif]

[Text] A critical question has arisen for a non-observer in Morocco attracted by the intense media coverage of the Algerian-Libyan summit held on 28 January 1986 in the village of 'Ayn al-Nas situated on the border between the two countries. The question is: Was the meeting that took place after a period of chilly Libyan-Algerian relations at the expense of the Sahara issue? The feeling that it is critical was based on many observations, perhaps the most important being that the country involved (Morocco) hastened to make clear that its blessing for the meeting was consistent with its declared regional and pan-Arab principles. Therefore, it sees nothing in it to stir fears about the present or future of its excellent relations with Libya.

The second reason for the anxiety caused by the question is the fact that in contrast to the foreign news agencies' treatment of the subject, and most of the Moroccan party newspapers agreed with it in this respect, the Libyan news agency (JANA) showed eagerness in its commentary on the summit talks to play solo on a sensitive string. The matter concerns Libya and Algeria calling for the unification of the countries of the Greater Maghreb and their regarding it as an essential condition in the service of Arab causes in unity and liberation. Moreover, the agency began its commentary by noting that Libya's main goal is to rally forces to confront the American threats and economic measures against it.

Nevertheless, the question still remains, due to the fact that the eddy and flow of relative explosions and fizzles which alternate from time to time in the relations between the countries of this region always occur under the aforesaid umbrella. This makes it incumbent upon the observer to look at the new developments with a little caution and a great deal of patience.

Moreover, the answer to such a question must pause a moment before the official reaction which avoided plunging into the matter except that there is a piece of news with more than a little proof reported by the Moroccan press and revealingly highlighted to the effect that Abdellatif Filali, Moroccan minister of foreign affairs, made a hasty visit to Tripoli several hours after the summit and Morocco was anxious to prevent disclosure of the minister's mission.

Libya, for its part, announced after Filali's visit there that a delegation consisting of 25 members of the General People's Congress headed by Mahmud Hijazi, the official in charge of the Libyan people's committees, will be going to Rabat to take part in the activities of the cultural affairs committee, which originated in the legislative unionist organization to complete its administrative structure. This indicates that the Arab-African Union was little affected by the summit.

Moroccan political councils looked upon the matter from a different angle. Among their observations is that the Algerian president focused in the announcement before he left Algiers for 'Ayn al-Nas on the idea that he was going on a visit of work and observation, exploring the reservoir of trust between the two countries without trying to shuffle the cards in the region, in the sense of the possibility of Libya abandoning its alliance with Morocco on the Sahara question, which forms the red line for the positions of any of the parties to the dispute. Moreover, Moroccan circles observed that the statement issued by the Algerian authorities on the summit talks contradicted the similar one put out by the Libyan. Jamahiriya, the Libyan news agency stated that the talks centered on the American threats against Libya and dealt with the Arab Maghreb from the standpoint that the solution to the Sahara problem is to be found within the framework of unity of the countries of the Arab Maghreb. This was at a time when the Algerian media were talking about the conviction of both sides that satisfaction of the right of the people of the Western Sahara for self-determination and independence is a definite factor in building the structure of the Arab Maghreb. The differences between the expressions used by all the parties at the summit should be noted here. The Moroccan circles regarded them as proof that they had not budged at any level. All the Moroccan newspapers discussed the matter. AL-'ALAM, organ of the Istiqlal Party, observed that the talks did not go beyond the confines of the Arab-African Union. As for the newspaper AL-ITTIHAD AL-ISHTIRAKI, organ of the opposition party of the same name, it showed interest in the issue and proceeded to publish news of the summit while displaying caution over the steps toward rapprochement taken by Libya and Algeria and mentioning what it characterized as the failures which it faced making its birth difficult!

If this excessive concern confirms the Moroccans' fears of a possible setback in friendly relations with the Jamahiriya, the week that followed the summit confirmed that the Jamahiriya is eager to reassure the Moroccan circles that clearing the air with Algeria will not be at the expense of the bases on which the Arab-African Union rests.

5214/7687
CSO: 4504/216

ALGERIA

LIGHT INDUSTRIES MINISTER CITES IMPORTANCE OF PRIVATE SECTOR

Algiers EL MOUDJAHID in French 5 Feb 86 p 3

[Article by S. Lamari; first paragraph is EL MOUDJAHID introduction]

[Text] Mr Zitouni: "The private sector will be encouraged to work for the development of productive activities, whether in small or medium industry, to strengthen the industrial fabric, or in agriculture, to contribute to the goal of self-sufficiency in food."

National private economic investment is the theme of the seminar which opened yesterday under the sponsorship of the wilaya of El Oued. This meeting, the first of its kind, which brings together some 400 participants representing several ministries, national enterprises, study bureaus and private entrepreneurs, has as its goal the in-depth study of the means to be used to bring to reality the nation's policy of national private economic investment. Those attending the seminar will thus have 2 days in which to discuss nine papers on various subjects, such as the private sector in small and medium industry, in the areas of steel construction and industrial subcontracting and in the regional picture, and the current situation of and future prospects for private national investment.

Messaoudi Zitouni, a member of the Central Committee and minister of light industries, presided at the opening session, which was also attended by Zine Eddine Sekfali, vice minister for tourism, and the governors of Tozeur and Kebili.

In his lengthy opening speech, the minister of light industries immediately defined the role and place of the national private sector in our economic development. In this regard he said, in substance, that the National Charter adopted overwhelmingly by the people has clarified the role and defined the place of the national private sector in the overall economic strategy of the country, while at the same time integrating it into the national planning.

In this respect he stated that "the private sector will be encouraged to work for the development of productive activities, whether in small or medium industry, to strengthen the industrial fabric, or in agriculture, to contribute to the realization of the goal of self-sufficiency in food."

He again emphasized the need to ensure a rigorous orientation of that sector toward organizing its infrastructure and control system, so that it may avoid situations such as occurred in the past for the sector, which developed outside the planning framework in confusion and anarchy, ignoring quality and the satisfaction of the real needs of the people, placing itself in speculative situations and taking immediate profits without making any real economic contribution to the country.

The minister then discussed in detail the path of development of this sector in the light industries. He emphasized that this sector should enlarge its field of operation to include that dominated by the food and textile branches by investing in a second generation of PMI [small and medium industries], which are needed at the present time and required, in addition, by the dynamics of industrial development itself in the branches which will be further oriented toward industrial integration and subcontracting.

Then he emphasized that his ministerial department, which covers 70 percent of the industrial activities carried on by the private sector, will be available to assist this sector in the organization and formation of units as well as in training.

Mr Zitouni closed his speech by indicating that "all the political, economic, legal and material conditions having been met, it remains for the will of men to bring to reality the development of the national private sector so that it may participate concretely in the struggle to build the nation." Finally, he exhorted private investors "to enlist resolutely in this program, now that the rules of the game are well established for both sides, by pledging, for their part, to serve their country with a view to contributing to the building of a strong and prosperous Algeria."

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CSO: 4519/68

EGYPT

ELECTRICITY MINISTER DISCUSSES ENERGY PROBLEMS

Cairo AL-JUMHURIYAH in Arabic 23 Jan 86 p 2

[Interview with Engineer Mahir Abazah, minister of electricity and energy, by Faruq 'Abd-al-'Aziz and Jamal Kamal: "Minister of Electricity Warns: We Are at Threshold of Energy Crisis; Raising Prices for Well-to-do Is Ultimatum; Some Individuals in Egypt Consume 10 Times What U.S. Consumer Consumes"]

[Text] Some consider him the key to development and to increased production and a guide to civilization and culture. All know him and some complain about him at times when their homes go dark and he complains about everybody he meets. He is Engr Mahir Abazah, the minister of electricity and energy, who has maintained his post of 7 years under Prime Ministers Dr Fu'ad Muhyi-al-Din, Kamal Hasan 'Ali, and 'Ali Lutfi. He has always been in the defendant's box when thinking of rationalizing consumption, of building nuclear plants, or of raising electricity prices. Despite this, he does not change his mind easily and he believes that he is always right because he is aware of his capabilities and resources. We had the following interview with him:

[Question] President Mubarak met with the Higher Energy Council twice within a few days. What do these meetings mean?

[Answer] The fact is that President Mubarak's meeting with the Higher Energy Council is a new tradition he has adopted to discuss the progress of the 5-year energy plan, considering that Egypt's new strategy to increase agricultural and industrial production relies on energy and electricity. This is why the president has been eager to follow up on the electricity projects, on the power plants, be they electrical, thermal, or hydraulic plants, on the new forms of energy generated by coal, solar energy, and wind, on the financing of electricity projects, and on the loans and the means to repay them.

[Question] Does this mean that Egypt does not now have an energy crisis and will not have such a crisis in the coming years?

[Answer] Let us talk very frankly about the energy issue, since it is the key to increasing production. At present--this year, to be specific--we have no energy crisis and the electricity we generate is fully adequate

for the industrial and agricultural projects and for the plan to raise production. The total thermal and hydraulic electricity generated amounts to 6,300 megawatt/hours whereas Egypt's current needs amount to 5,200 megawatt/hours. This means that we had by the end of last year a surplus of energy amounting to 1,100 megawatts. However, this does not mean that we do not have a potential energy crisis. In 1984, we experienced a daily shortage of 400 megawatts below what was needed. Egypt's needs by the year 2000 will amount to 100 billion kilowatts whereas the production will not be able to meet those needs. I am aware of the seriousness of the situation as of this moment, especially since electricity is a commodity that cannot be imported.

[Question] Could you be clearer and more specific? The government constantly stresses that we are at the threshold of an energy crisis while embarking on the Second 5-year Plan.

Billions of Dollars a Year

[Answer] I will be more specific. The above statements do not mean that we are not facing an energy crisis. I emphasize as of this moment that we are at the threshold of a major energy crisis caused, to be specific, by increased consumption. In 1952, our total energy consumption amounted to 500 million kilowatts only, rising in 1981 to nearly 17 billion kilowatts and by the end of 1985 to more than 40 billion kilowatts. The danger here lies not in increased electricity consumption but in increased electricity consumption for home use. This consumption amounted to 45 percent of the total energy generated in Egypt while we find that this consumption does not exceed 10 percent in India and China and 15 percent in the advanced countries. What is more serious is that home consumption grows by 15 percent a year in Egypt. By simple calculation, we find that we need \$1 billion a year just to meet the growth in home consumption. Is there a bigger crisis than to have the state try to secure \$1 billion a year for electricity only? We have a criterion for determining whether there is or there is not a crisis, namely the ratio of production to consumption. In Egypt, the consumption to production ratio amounts to 2 to 1 whereas in Japan it amounts to 5 to 10, in Europe to 6 to 10, and in South Korea and China to 1 to 1.

[Question] Do you think that the reason for increased consumption is misuse, population growth, or the spread of electrical appliances?

Cancerous Consumption

[Answer] The fact is that the three factors have contributed to the cancerous consumption of electricity, though by varying degrees. Population growth is responsible for a small percentage whereas the purchase of appliances, coupled with misuse, is what is behind this catastrophe. Emigration from Egypt to the outside world, emigration from the countryside to the urban areas, and the growth of incomes have been coupled with a very serious consumption tendency. What is surprising is that the state subsidizes some electrical appliances.

Every home in Egypt has more than two television sets, two washing machines, a refrigerator, and a video recorder. This amounts to extremely extravagant consumption. In Egypt, some citizens consume 8,000 kilowatts a month. The meters are checked and the bills say this. This means that such a citizen has more than 20 electrical appliances in his home. It is a strange logic. The average consumption of the well-to-do U.S. citizen amounts to 10,000 kilowatts a year whereas in Egypt it amounts to 100,000 kilowatts. The more surprising logic is that extravagant consumption in Egypt has reached the point where people buy a dryer for 1,000 pounds to dry the laundry. In the rural areas, the situation has even reached the point where some people buy heaters and milk-shaking equipment to produce cream. This is unreasonable. The countryside is using electricity for everything and 10 million tons of fuel consisting of firewood and stalks are thrown away.

The educational level plays a fundamental role in electricity consumption. India does not supply electricity to the homes of the uneducated. Electricity is supplied for production equipment only. We will not do this but only ask that the electricity resources be preserved and that a full opportunity be given to increasing production.

[Question] Does this mean that the Ministry of Electricity has not taken steps to rationalize consumption?

Consumption Rationalization Measures

[Answers] The fact is that more than one approach has been employed abroad to reduce consumption. In South Korea, the consumption to production ratio amounted to 2.5 to 1. South Korea took a number of compulsory steps in the wake of which the consumption to production ratio has dropped to one to one. We rejected this logic from the outset and took two steps: first, increasing the price of electricity to the well-to-do who consume more than 1,000 kilowatt/hours a month. These represent 0.2 percent of the total number of consumers. The second step was to rationalize consumption in government and state-owned factories and in street lighting. The consumption of the government agencies and of the public-sector offices has dropped by 25 percent and this leads to saving 200 million kilowatt/hours a year. This is the equivalent of savings of 60,000 tons in diesel fuel costing nearly \$9 million. Rationalizing street lighting saves 285 million kilowatt/hours a year. This is the equivalent of saving 85,000 tons of diesel fuel costing nearly \$12 million. In fact, most of the government agencies and a number of governorates have responded to our steps. On its part, the ministry is prepared to supply electronic street-lighting equipment. Ultimately, consumption rationalization and reduction depends on the consumers and on the degree of their awareness of the energy problem in Egypt. Cairo alone consumes 3 billion kilowatt/hours a year, amounting to 12 percent of the total energy generated in Egypt. We are required to do something to rationalize consumption and to try to reduce the ratio in the coming 5-year plan to five to four.

Ultimatum to Capable

[Question] If the problem is this serious, then why have we not raised the price to the capable so that it may match the cost price, provided that this price is applied to clinics and consultation and investment companies?

[Answer] I would like to point out from the outset that the cost of a kilowatt of electricity in Egypt is 12 piasters. A kilowatt used to be sold in Egypt in 1945 for 35 mils [3.5 piasters]. From 1952 until a few months ago, a kilowatt was sold for 18 mils. We have raised the price on the basis of segments, beginning with 1,000 kilowatts and rising gradually to reach 49 mils per kilowatt. This is not the end of the road for the well-to-do. We only meant to give them an ultimatum to rationalize their consumption, or else we would again raise the price for the capable only.

Truth in Electricity Price

[Question] Despite your assertion that the price of electricity has not risen, the electricity bills show that it has. Is this due to a crisis in meter readers or due to the collection system?

[Answer] As I have already said, the price of electricity has not been raised for all consumers. The problem lies in the system of meter readers and of collection. We have in Egypt 3,500 meter readers for 8 million subscribers. Cairo alone has 900 readers. The problem is that either the reader is dishonest, and we have in fact expelled 20 such readers after checking on them, or that the reader is honest but cannot get hold of the subscriber because meter readers are not allowed to work after 1500. Consequently, the reader determines an average for each apartment. This may be repeated for 6 months. At the end of the year, the subscriber is surprised with the actual sum demanded of him. Consequently, he thinks that the price has risen. This is why the ministry is now studying a modification of the reading system by installing outside the apartment a glass pane connected with the meter so that the reader may be able to check without entering the apartment.

[Question] It is said that the Ministry of Electricity is billing subscribers according to the electrical appliances they have.

[Answer] This is not true. The ministry has simply drawn up scientific estimates to enlighten the consumers so that they may know their average consumption. We have pointed out that running an air conditioner for a period of 6 hours a day costs the subscriber 18 pounds a month, that a heater with a capacity of 50 liters costs the subscriber 7 pounds a month if it is turned on for 3 hours a day, that an electric oven with 2 elements costs the subscriber 24 pounds a month if it is used 4 hours a day, that an oil heater costs the subscriber 22 pounds a month in case it is turned on for 6 hours a day, and that a television set costs him 1 pound a month if it is turned on for 6 hours a day.

Energy Alternative Under Study

[Question] We have been talking for 20 years about energy alternatives. So far, we have not taken advantage of the studies at our disposal.

[Answer] We have, in fact, begun to transform the studies into a reality by establishing the Public Authority of New and Renewable Energy through a grant from the EEC so that this authority may explore solar and wind energy, bio-gas, and the salt lakes and to manufacture cells and reflecting mirrors in Egypt so as to achieve an economic price and a definite result from alternative energy, especially since a watt of electricity generated by a thermal plant costs \$0.80 when generated from coal, \$1 when generated by a nuclear plant, \$1.50 when generated from the sun, and \$10 dollars [presumably part of the sentence dropped]. This is why we have begun building the first cost-operated plants in al-Kuraymat, south of al-Jizah, in 'Uyun Musa in Sinai, and in Sidi Karir, west of Alexandria. Each will have a capacity of 1,200 megawatts a year and will need 10 million tons of coal a year. We have also begun using solar energy for heating by manufacturing 10,000 solar heaters a year to be used in the new cities.

[Question] We have been hearing for years debates on nuclear plants. Have we developed full visualization on these plants?

[Answer] We have nearly developed a complete visualization on the use of nuclear plants. We presently have international bids from the United States, France, and Germany and we will soon decide which of these bids is the best. However, I wish to point out that the use of nuclear plants will be the last option for generating energy. The Ministry of Electricity believes that our energy needs in the year 2000 will amount to 100 billion megawatts. We will rely first on hydraulic, then on oil, gas, and coal plants and, finally, on nuclear plants, which will be used according to the production conditions. If the oil allocated for electricity increases or if we discover new coal and oil fields, then this will have an impact on the use of the nuclear plants to be built. I stress that nuclear plants will be used only to meet the shortfall in the energy needed.

[Question] No full visualization has yet been developed for disposing of nuclear waste.

[Answer] We have at our disposal the experience of numerous countries in disposing of low-level, medium-level, and high-level nuclear waste. High-level nuclear waste is what creates the problem. France, for example, fills its waste in glass containers, which are heated to a temperature of 1,500 degrees and stored for life. The Egyptian option is for the method currently in use in Sweden whereby waste is filled into vessels placed under a water pool for 20 years and then placed under a concrete cover with some ventilators where they stay forever without causing any danger.

[Question] It is said that the Ministry of Electricity is suffering from the problem of securing remittances and appropriations for the already existing plants and for the future projects. How true is this?

[Answer] Of course, the smallest project we have costs a billion dollars. We in Egypt cannot provide such an appropriation at once and are compelled to turn to the World Bank, to the Americans, or to the French. Despite this, no single party can finance a project. More than 30 banks and countries have participated in financing Shubra al-Khaymah plant. The lack of appropriations is a general problem in the state because of the shortage of hard currency.

[Question] On the occasion, it has been reported that Shubra al-Khaymah plant came to a halt after it was inaugurated. What is the truth?

[Answer] It did not come to a halt. At the outset, only the first unit was put into production and it continued to operate until the second unit was put into production. However, Americans asked that both units undergo complete maintenance for a period of 1 month before they were introduced into service. The two units are now in operation and produce 100 megawatts.

[Question] Is it true that the Ministry of Electricity is the Egyptian agency most heavily indebted to foreign banks and that it incurs a major part of Egypt's debts?

[Answer] On the contrary, the Ministry of Electricity's debts are the least burdensome to the state. We are the agency that has gotten the largest number of soft-term loans and easy grants in the past 7 years. We have obtained from the United States \$1.5 billion, half of the money in a free grant and the other half at an interest rate of 2 percent and repayable over a period of 40 years. In recent years, we have gotten from Germany \$0.75 billion in grants and \$1.25 billion in loans at an interest rate of 1 percent and repayable over 40 years. From Canada, we have obtained interest-free loans and from France, we have obtained loans at an interest rate of 3 percent and repayable over 25 years. We have been able to repay all the High Dam debts to the Soviet Union, not to mention some other plants and the new plants, for which half the debt is paid in advance and the rest over a period of 40 years.

[Question] What is the reason for the decrease in electricity projects in Egypt's countryside?

[Answer] I will speak about Egypt's countryside very frankly. From 1982 to 1985, a total of 429 villages and 1,064 hamlets were electrified. In the Egyptian rural electrification project, 5 watts were allocated for every individual but we were surprised to find the consumption amounting to 80 watts per capita. We had to take a pause with Egypt's countryside because we found that every village was demanding a transformer with a 100 kilowatt/hour capacity and that a month later the demand rose to 600

kilowatts at a time when the lines could not withstand such tension. This is why we have decided to reduce the number of villages electrified each year and, on the other hand, to repair and strengthen the lines. A billion dollars are needed to change a powerline. Therefore, it is unreasonable to change the lines for all the Egyptian villages and to cut off their electricity supply completely while the lines are being replaced. What concerns me is to supply electricity to the countryside for agriculture and industry, not for electrical appliances.

[Question] Does the ministry collect decoration fees when streets are lit with ornamental lights on religious and national occasions?

[Answer] We have the electricity police. Instructions have been issued to them and fees have been set for ornamental lighting. But it is unreasonable for these policemen, who are small in number, to go looking for violations. The umpire in this case is the citizen's conscience to make him pay the fees.

[Question presumably dropped]

[Answer] Each new city has a 220,000-megawatt transformer plant and it is enough for 40 years. I am not worried about the new cities, but I am not responsible for the industrial projects set up in the governorates without our knowledge.

[Question] Does the minister of electricity pay attention to electricity consumption rationalization at his home and his office?

[Answer] It is true that there is more than one light bulb in my office. But what is the call for lighting more than one light at the office or turning on the heating for 10 minutes as long as I can wear a pullover or as long as I have a woollen blanket at home?

8494/13252

CSO: 4504/185

3 April 1986

EGYPT

SABRI REBUKES PARTIES FOR PROVOCATIONS, ABUSE

Cairo AL-AKHBAR in Arabic 27 Jan 86 p 1

[Editorial by Musa Sabri: "Enough Playing with Fire"]

[Text] The interview given by President Mubarak to Makram Muhammad Ahmad, chief editor of AL-MUSAWWAR, is the most serious interview given by the president of the republic since he assumed power. It dots all the i's and crosses all the t's insofar as the opposition's approach to dealing with the vents is concerned. The opposition's approach has become detestable and unbearable and all must awaken because democracy protects all. If these practices that kill democracy continue, then the evils will descend upon all heads.

Opposition papers have emerged, all taking a defensive position.

The defense is feeble. The justification of provocation, the organization of demonstrations, the fabrication of lies, and the instigation of public opinion are practices denounced by the masses, who want somebody to solve their problems first and foremost.

It is no excuse to say that what issues from the opposition nowadays is trapped steam that has been repressed for 30 years and that it is not surprising that slips occur and that the opposition misses the right path to sound democracy. The Labor Party leadership formed a part of Jamal 'Abd-al-Nasir's regime and was part of al-Sadat regime. Ibrahim Shukri was a governor and then a minister. Dr Hilmi Murad was a minister and a member of the Socialist Union organizations. Both took the opposition line after years of al-Sadat rule. As for the leadership of the communist Grouping Party, they fully cooperated with Jamal 'Abd-al-Nasir's regime after the communists were released from jail and agreed to dissolve their underground organizations. They worked in the national press and Khalid Muhyi-al-Din was chairman of AKHBAR AL-YAWM's board of directors. Mustafa Kamil Murad, the Liberal Party chairman, posed no more than a "tame" opposition. In any case, this party possesses none of the prerequisites of a party, except that it has a newspaper that has now become independent. As for the New Wafd, it is the newborn whose program called, as Fu'ad Siraj-al-Din told me, for Anwar al-Sadat to be president for life. What is more, Fu'ad Siraj-al-Din sent a message to al-Sadat asserting that he was prepared to join the party headed by al-Sadat.

So most of them were cooperative and were content with the then prevalent conditions. Now that the sun of democracy has risen, there is no place for saying that they are like trapped steam.

The truth is that they do not realize, or do not wish to realize, the opposition's task and message.

The difficult economic circumstances experienced by the country saddle all the parties, both the majority party and the minority parties, with democratic responsibilities compatible with what we are facing. This is why the president of the republic has asked all the parties to extend a hand and contribute to the popular and national action so as to serve the masses' interests. They can contribute, for example, to encouraging intrinsic solutions.

We need schools, institutes, hospitals, and other services. The state resources do not make it possible to build all we need. It remains for the well-to-do to contribute. Have we heard of a party encouraging its members to make such a contribution, to organize it, or to advocate it? Where is al-Wafd Party, which alleges that it is the masses' party? Where does it stand vis-a-vis the masses' demands and needs? Or has the opposition parties' activity become confined to the press? Let them know that there are parties without newspapers in the major democratic countries. But these parties work actively and influence public opinion with deeds, not words.

I also wonder: What are the opposition parties doing for the youth, keeping in mind that they all claim that they are the youth parties? Have they given thought to positive action into which to channel the capabilities of the youth who are willing to work and to sacrifice but who find nobody to guide them?

Is this abusive press what we offer the youth? If the opposition press depicts everything for the youth as dark, abortive, and desperate, then what should we expect of the youth? Do they guide youth toward beneficial action and toward affiliation with Egypt or toward demonstrations, slogans, and attacks on buildings and vehicles?

If we agree that safeguarding democracy is a necessity of life, then we must all reconsider the method of democratic action and of partisan action.

What I am saying about the opposition also applies to the majority party which should offer the model to be emulated.

Continuing this "struggle" on the pages of the press and relying on pens that master the art of provocation and insolence are tantamount to persistence on the thorny path, and thorns bloody only those who get close to them. Enough playing with fire.

8494/13252
CSO: 4504/194

PAPER ADVISES AGAINST AMENDMENT OF CONSTITUTION

Cairo Al-JUMHURIYAH in Arabic 27 Jan 86 p 6

[Editorial: "AL-JUMHURIYAH Says: Yes to Democracy, No to Amendment of Constitution"]

[Text] The debates taking place in the People's Assembly reaffirm the commitment to democracy as an irreplaceable path and course for our political life.

We have been hearing voices from deputies of the ruling Democratic National Party calling for implementation of certain aspects of the government program and proposing additions and modifications to the program. This raises our deputies to the level of performing their true role, regardless of partisan affiliation, of popular control over the executive authority's actions.

Even though we all underline our commitment to and eagerness for democracy, we at the same time underline our commitment to the constitution we have accepted and our eagerness to resort to the constitution to regulate our political life. The constitution is the fundamental charter on which our system is established.

This is why it is important and essential to confront the calls issuing from time to time from some opposition factions for changing or amending the constitution. We believe that these calls are not in the interest of the majority of the Egyptian people.

Even though we acknowledge the patriotism of the call for amending the constitution, we believe that such calls ignore the public interest and that this interest is sacrificed for a narrow partisan interest reflecting the interests of a certain group among the people's groups. Therefore, this call becomes a "false" call concealing itself behind the robe of "right".

We believe that our constitution is the main guarantee for all our people's interests and that it reflects the delicate balance existing in our society, without allowing the interests of one group to dominate the interests of the other groups.

Therefore, we must all stand to defend the constitution, to reject any endeavors to create "constitutional" confusion under our current circumstances, and to focus our efforts on enriching the democratic experience with vigilant and responsible actions under the canopy of the constitution.

EGYPT

COMMENTATOR VIEWS RELATIONS BETWEEN GOVERNMENT, OPPOSITION

Cairo AL-AHRAM in Arabic 15 Feb 86 p 15

[Commentary by Lutfi al-Khuli: "The Government, the Opposition, and the System"]

[Text] Talk has been building recently from various sources about persistent aggravation in the political relations between the opposition and the government. Clamorous accusations are being traded back and forth concerning what has become known as "excesses in practice."

By their vehemence, these accusations have come to arouse anxiety concerning the situation and future of the democratic system and its characteristic of multiplicity.

What does this mean?

It means that, collectively, we are faced with two points of agreement:

One: The feeling of all of the parties to the democratic game--whose positions, motivations, and causes have differed--that the current democratic experiment is approaching a dangerous phase.

Two: The desire of all of the parties--to different degrees--to expend the utmost effort to rescue the democratic system and to assure its continuation and development, in face of the current and probable threat.

Naturally, these dangers appear, in a principle form, in Arab and local parasitic forces and the American-Israeli alliance. That is to say, lively democratic practice will return Egypt to its productive people and the Arab nation, establish its independent national will, fill it with possibilities for economic development and technological and social progress, and strengthens its pan-Arab, regional, and international role all together.

We do not--in this article--want to go into this particular aspect of the dangers in detail. We want to focus on the dangers that the current democratic system confronts from within. We think that it is the "intrinsic destruction" which is poisoning the practice of democracy in our situation.

The relations of action and reaction between the government and the opposition is on the way to corrupting the political climate generally.

How?

If we look at the general political form of every society that embraces the democratic system based on multiplicity, three principal institutions stand out, which are, in their sum, "democratic legitimacy." These are, first, the system, embodied by the state; secondly, the government, whose executive administration is undertaken by the majority party, alone or in partnership with a party coalition; and, thirdly, an opposition in its multiple parties.

To the extent that the nature, limits, and functions of each institution are distinguished and clear and respected by the other institutions, in accordance with publicly announced principles obligatory for everyone by means of the constitution, the pursuit of democracy is genuine, deep-rooted, and productive, able to protect itself by itself, no matter how great the difference and conflict which exists among these institutions during the pursuit.

Democracy is not freedom in its pure or moral sense, but rather, freedom that has been transformed into a social, political, and economic system. Consequently it means, by definition, a form and content of authority and its relationship with the masses and institutions and between the government and the opposition parties.

If we try to translate this general picture into the language of the particular situation in our country, we encounter the following four things:

1. A system that is embodied in a state, which is the Arab Republic of Egypt.
2. An executive government composed of the National Democratic Party, which officially gained a majority in the Peoples' Assembly elections in 1984.
3. An opposition, which is currently composed of five parties, namely, the Wafd Party, the Grouping Party, the Socialist Labor Party, the Liberals Party, and the Ummah Party..
4. A constitution for the organization of the state issued on 30 April 1980 defining the legal national framework for political practice, regulating and governing the relations, in both their agreement and their opposition, among the three institutions.

Expulsion or exclusion of any one of these four elements shakes legitimacy and kills democracy, stability, and the possibilities of development and healthy change for the current community, and opens the door to one of two alternatives: a coup d'etat or a revolution.

However, we must point out that the fall of the party entrusted with the administration of the government, whether by decline of its majority or by its losing legislative elections to an opposition party or a coalition of other parties, is not expulsion or exclusion of any of the four parts of the

democratic structure. That is, the government, as an executive apparatus, still remains as an institution, while the party which carries out the administration is changed by a mandate from the voters.

This situation is found, and is legal, in every democratic system accepting party multiplicity. Democracy means rotation, legally, of government and authority among the parties. It is completely incompatible with a certain party's monopoly on the government or presidency of the state. In the democratic system, the situation of the parties changes. But the system as a state, and the government as executive authority, and the opposition parties, and the constitution, governing all according to law, remain.

In contrast to all of that, the process of expulsion and exclusion, which is democratically taboo, includes an effort by any one of the institutions of the democratic structure to change, by itself, its nature and broaden its limits and expand its functions at the expense of the others.

It is not usually conceivable that this would happen except by physical or moral repression, a situation which changes the democratic system into a merely formal decoration, devoid of content, with fragmentary effectiveness and closed channels. In this manner, it is deprived of its legitimacy, social and political stability is shaken, and a storm occurs in the general national agreement on the choice of the peaceful democratic path as the way to growth and change. The matter ends, in such a country, in one of two crises, either dictatorship or anarchy.

In our estimation, if the current political pursuit of democracy continues in this direction, in which the institutions appear to be lying in wait for each other and resorting to accusation and abuse instead of dialogue and evaluation, then there is a real danger that we will slide toward the dilemma of either dictatorship or anarchy,

No doubt, there are various objective and subjective causes for this dangerous imbalance which corrupts democratic movement and practice in our situation.

Space is not sufficient here to deal with it in detail. It is better to focus on what we consider to be its crucial causes.

In our opinion, the imbalance in the body democratic and in the relations among its members is hidden in the spread of an incorrect concept that confuses the government and the system as if both were two names for the same thing. This is due to the movement of the ruling party and most of the opposition parties together.

The ruling party still carries the remnants of the seventies. The mentality of a single all-inclusive organization, which does not consider anything legitimate that is outside of its walls, still governs it. It considers itself to be the system and the government, and it deals with the opposition parties as if they were institutions foreign to the system and not legitimate, or, at the least, as an inescapable evil which must be resisted, not brought into dialogue. Therefore, it rejects, in practice, the fundamental democratic concept, which rests on the basis that the opposition parties, even if they

have differed in their programs from the ruling party, are still-- objectively--participants in the essence of the state, the system, and the constitution.

Therefore, the majority orientation toward the movement of the ruling party has disturbed the relations of the opposition parties with the system, stirred it up against them, and utilized its parliamentary majority and the administrative apparatus of the government to issue laws or decrees to block their activities and distort their positions, and to deprive them of their constitutional rights to the necessary information about the major issues and problems and to participate in the making of decisions through the legitimate channels of the system.

Continuation of this situation, by its nature, will create a counter-reaction characterized by an unstudied emotional excitability on the part of the opposition parties. This type of action and reaction plunges everyone into an empty cycle of irrational collision that tears the unity of the democratic fabric, and democratic practice is gradually concealed in differences of opinion. Legitimate competition between the ruling party and opposition parties to win the masses to their orientation and programs spreads and roots democratic values in society.

The fact is that this methodological error of mixing up the cards of governing party/government and system/state is not limited just to the ruling party. Many of the opposition parties also fall into it. Occasionally, they act under certain political and social pressures as if they were outside the system and its constitution, whereas the legitimacy of the parties and their power to influence--whatever their orientations and their positions-- flow from their being an inseparable part of the system as long as they are open and bound to the constitution.

The existence of the opposition parties is part of the system, in spite of their conflict with the governing party. This does not mean, however, as some imagine, cutting off the way to their right to work for the sake of changing the nature of authority and the system, and even the constitution itself. But it means that the way to this is by means of popular democratic action, not by coup or revolution.

As for the system, even if it necessarily possesses content and clearly defined social interests, it will not acquire its credibility and its weight of sovereignty and its general national acceptance, as an institution, unless it rests on a minimum foundation of collective participation by the ruling party and the opposition parties and citizens of various classes. This group participation imposes on the system responsibility to eschew partisanship for itself, its decisions, and its positions even if the president is a party man. If the system fails to do this, it is changed from a general institution possessing the power of consensus and the characteristic of the collective conscience for the nation into a special institution for the production of its own authority and its pursuit of the interest of limited factions outside the framework of democracy.

The system/state, as a social and group institution at the same time, for all social forces and their parties, in spite of the differences among them, is governed, in its movement and dealing with the governing party, the opposition parties, and non-party member citizens, by a group of universal principles, which form the common minimum to which everyone agrees as the unified framework for unified obligations. These principles are what is known as the constitution.

In accordance with our constitution, this framework and the unified obligations that govern the relations between the system, the government and its party, and the opposition parties are embodied in the following seven points, "articles one through six of the constitution."

1. The system is that of a republic.
2. Preservation of and support for political and economic independence and freedom of the national will.
3. The Egyptian people are part of the Arab nation and work to achieve its complete unity.
4. Islam is the religion of the state, and the principles of the Islamic shari'a are the principle source for legislation, while article 46 of the constitution guarantees freedom of belief.
5. Sovereignty belongs to the people alone, and they are the source of authority, practicing it, preserving it, and upholding national unity, while article 11 of the constitution assures equality between men and women.
6. The economic basis of the system is democratic socialism. It rests on suitability, justice, and the prevention of exploitation. It leads to narrowing differences in income and protects rightful earnings. It provides for fair distribution of public burdens and obligations.
7. The political basis of the system rests on multiplicity of parties.

These seven points have defined the strength of the national consensus for the system and its legitimacy and have governed the relations between the governing party and the opposition parties. They also are the objective yardstick by which the excesses of any of the parties to the current democratic game are measured through their practice of their political and social responsibilities.

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CSO: 4504/219

EGYPT

PEOPLE'S ASSEMBLY DISCUSSES ISLAMIC LAWS, DEMOCRACY, HOUSING

Cairo AL-AHRAM in Arabic 28 Jan 86 p 6

[Article by Mahmud Mu'awwad, 'Abd-al-Jawad 'Ali, and Sharif al-'Abd: "Broad Discussions in National Assembly on Democracy and Islamic Shari'a; Demand for Mobilizing All Resources To Provide Housing Compatible with Egyptian Citizen's Income; Democracy in Egypt Must Be Tied to Public Interest"]

[Text] People's Assembly members from both the majority and the opposition raised numerous issues during the third session, held by the Assembly yesterday under the chairmanship of Speaker Dr Rif'at al-Mahjub to debate the cabinet statement.

Through Dr al-Sayyid 'Ali al-Sayyid, the minister of People's Assembly and Consultative Council affairs, the cabinet emphasized that the parties have agreed to purge the laws of whatever violates the Islamic Shari'a.

The members demanded that all the state resources be mobilized to provide housing compatible with the Egyptian citizen's income in order to solve the serious housing crisis. They also demanded that democracy be tied to the public interest.

At the outset of the meeting, held under the chairmanship of Dr Rif'at al-Mahjub, the Assembly approved a loan agreement for 2,256,000,000 yen with Japan to finance the projects to construct the mechanized agriculture service plants.

The Assembly then proceeded to discuss the report of the committee for responding to the cabinet statement. Sulayman al-Jawhari said: The first thing we must do is to enhance the efficiency of the educational process so that the emphasis may be put on entrenching religious thought and national conviction in the souls of the students in order that they may develop a stronger affiliation with their country. The necessary appropriations must also be secured to supply the instruments of education, including educational and technical installations and equipment. Attention must also be devoted to developing higher education by modernizing the universities and providing the scientific equipment needed for the educational process. Moreover, attention must be devoted to developing the provincial universities so that they may

play a better role in serving the environment in which they exist and to forming basic teaching faculties for these universities so that they may have their independence and identity.

Rawiyah 'Atiyah said: Providing housing to every citizen must be one of the state's fundamental objectives in this phase. Where is the system of housing for one-quarter of one's wages? The cost of housing for people with limited income has risen so high that it is difficult to find housing units. The state must mobilize all its resources to solve this problem.

Member 'Atiyah demanded that lands be supplied by the state for housing so as to encourage the private sector to contribute to solving the problem.

She also demanded that the state tackle fundamentally the problem of the rise in the cost of private medical care in Egypt now that it has become obvious that a very high percentage of Egyptian patients do not possess the means to obtain medical care at these exaggerated prices.

Opposition and Cabinet Statement

Tabir Hazin from al-Wafd Party said: I have noticed that there is a contradiction between President Husni Mubarak's statement and the prime minister's statement, considering that President Mubarak believes that solving the political issue is the path to solving the economic problem. President Mubarak has referred nearly 20 times to the great awakening and this confirms that the Egyptian citizen is living in a state of alienation and indifference. It is the president's opinion that the cure lies in bolstering democracy. But the prime minister's statement considers democracy just a dialogue between two parties and between one opinion and the opposing opinion, that this is tied to the National Party's program, and that people have fallen on their faces because of these principles.

Democracy and freedom, not intellectual suppression, are what give the citizen the strength to contribute.

Tahir Hazin also said that the president's call for the great awakening is nothing but a form of protest against these principles. What is happening now is that there is a major party in whose orbit other parties revolve. This is a system that is not free of totalitarianism. Therefore, the single-party concept is still prevalent. This was underlined yesterday by Dr Muhammad Dakruri, who called for casting away the robe of partisanship. There is a merger between the executive leaderships and the National Party leaderships. Most of the trade unionist leaders are members of the party and only this party's members get freedom of action. The National Party seizes the other parties' offices and it is, therefore, in full control. Moreover, the authorities in Egypt are "merged," not "separated." Therefore, I believe that it is necessary to form an "elected" constituent assembly to draft a new constitution. There is a basic rule, namely that the nation is the source of powers, and this rule is what guarantees a sound election to the chairmanship of the authorities, be they executive or political.

The government program is devoid of any announcement abolishing the ill-reputed laws.

Government Responds

Dr al-Sayyid 'Ali al-Sayyid, the minister of the People's Assembly and Consultative Council affairs, said in response: Brother Tahir Hazin said that there is a contradiction between the president's statement and the prime minister's statement. However, he has not demonstrated the sources of this contradiction. He is not aware that the prime minister's statement is a program reflecting the president's statement. We have noticed that the member did not talk about the cabinet statement but discussed the National Party program. May the member permit me to present to him the party program, perhaps he has not read it well. The cabinet is the National Party cabinet, even though it works for all of Egypt.

I wonder: Is it reasonable to be talking nowadays about intellectual oppression when we see the national press and the partisan press opposing the government with no restriction? There is no control by the government over the press.

How can the president's statement be a protest against the party's principles? What principles is it protesting? Are they the democratic principles? Does Hazin mean that the president's statement is a protest against democracy? Such words distort Egypt's smiling face. As for the principle of separation of powers, it is no longer the sharp and decisive principle separating the powers. This separation has become a separation motivated by cooperation because all work for the same interest. There is no control over our decision making here in the Assembly. This Assembly is not an assembly for legislation but the legislative brain. The judicial authority enjoys full freedom and it is this assembly which has given the judicial authority its full freedom. The minister of justice's connection with the judicial authority is merely a connection that defines the constitutional responsibility. Here, we are the legislative authority, not the government authority. The minister added: Brother Hazin has said that the nation is the source of all power. He raises this slogan daily whereas it has now been established that the nation is one thing and the people another. The people are a part of the nation.

The minister added: As for forming a constituent assembly to draft a constitution, I say that the committee which drafted the constitution had toured all the Egyptian cities before drafting it. Our constitution has bolstered the rights and the duties. We wish the parties would strengthen the principle that duties come before rights.

National Party's Resources from Its Members' Subscriptions

Kamal al-Shadhili said: I feel that colleague Tahir Hazin has not been debating the government program but rather the National Party's program. I say that the Egyptian people made their decision on the parties' programs in the latest People's Assembly elections which have brought a majority from the Democratic

National Party. If Hazin wants to know what our party's program is, then I tell him that the National Party's program is an extension of the gains of the 23 July 1952 revolution. We do not like pronouncements to be made offhandedly. Our National Party's resources come from the subscriptions of the party members and from donations made by citizens living in Egypt, not outside it.

Let me return to the cabinet statement to say that the People's Assembly's report has come as a free outcome of all the partisan political tendencies in the Assembly. During the debate, the dialogue has been magnificent and has risen to the level of responsibility. This is why the statement reflected sincere patriotism and boundless democracy. This is the democracy that accepts all opinions. We, as a National Party, are eager to carry on with democracy, as President Mubarak declared yesterday, and we will accept no alternative to democracy, regardless of what has been said and whatever is said.

Mustafa Zaydan said: I demand that the social and economic problems be tackled scientifically and objectively and that we steer clear off palliatives. He also demanded enhancing the level of labor training to insure improvement in production's quality and encouraging the private sector to train high-level skilled cadres. He also said that equal job opportunities must be given to all and that athletic skills must be encouraged among the workers to strengthen their bodies.

Zaynab 'Abd-al-Hamid said: We urgently need to rebuild the Egyptian citizen on a sound religious basis because we will be able to establish the mainstays of our society only by preparing the citizen soundly. This is why we must return to our genuine religious and moral values. This is the task of the family, the school, and the media. We want to create a good model for youth.

She further said: I urge the president of the republic to call for a scientific conference in which clergymen and sociologists take part to discuss the means of entrenching religious values in the citizens' minds.

Egypt Has Unmatched Islam

His Eminence Shaykh Muhammad al-Matrawi from al-Wafd Party said: Reforming man is a duty imposed by God on all religions. Islam always prescribes solutions to all of society's problems. The prophet, may God's peace and prayers be upon him, did not relent insofar as any of God's restrictions are concerned. He said: By God, if Fatimah, the daughter of Muhammad, steals Muhammad will cut off her hand. Egypt has an Islam unmatched in the world, thanks to its al-Azhar and its upright clergymen. His eminence then asked: Where can we get honest and upright men if all don't obey God's law? Our social and economic problem can be solved only if we adopt God's law and apply God's Shari'a, embodied in the Islamic Shari'a laws. This is why the Islamic Shari'a laws must be promulgated quickly. I appeal to all the parties to include in their programs a provision calling for adherence to religion.

'Abd-al-Qadir al-Bahrawi demanded that the laws obstructing social development be reviewed and that the laws be combined and unified according to subject

matter so as to facilitate the people's interests. He also demanded that the level of the various stages of education be improved and that a public guide be issued to make it easier for the citizens to deal with the government apparatus when their interests dictate such dealings.

Mahmud al-Sayyid 'Abd-al-Rahman said: We must all work to alleviate the people's hardship so that they may proceed to increase agricultural and industrial production. Our people are good and generous but the government must exert efforts to develop the Egyptian village so that this village may turn into a production unit which contributes to strengthening the national economy.

Dr Rif'at al-Mahjub said: Does this mean that the government should visit and tour the villages?

Mahmud al-Sayyid 'Abd-al-Rahman: We wish it would. This is our wish.

Dr Rif'at al-Mahjub: This is unreasonable because the government work will be affected.

Will Subsidy Be Abolished?

Mahmud al-Sayyid added: I demand that the subsidy be abolished immediately and that a cash allowance equalling the value of the subsidy be paid to employees, workers, and pensioners who merit this subsidy. We will thus make sure that the subsidy is delivered to those who deserve it. I also demand that the customs exemptions be reconsidered so that every citizen may contribute to bolstering Egypt's economy.

Dr Rif'at al-Mahjub: There is a charted policy in accordance with which the government proceeds and there is no call to demand that everything be abolished. The demand can be made for reexamination.

Ahmad al-Idrisi said: I demand that the tourist activity be strengthened, especially since Egypt contains various kinds of historical sites and tourist beaches that can be exploited throughout the year. I support the government plans to develop tourism and to attract large numbers of tourists.

Muhammad Mahfuz from al-Wafd Party said: Enough injustice against the public sector. What crime has the public sector committed insofar as this hardship is concerned? I want the government to give the public sector a free hand to work and produce. The public sector has protected millions of workers from homelessness and dismissal from work. I fear that the slogan of the "great awakening" will have the same fate as the slogan of "unity, order, and work" and of "the state of science and faith." We hope that Egypt will be ruled by God's book, may God be praised, through a speedy promulgation of the Islamic Shari'a laws which Dr Rif'at al-Mahjub has promised us this assembly will issue.

Responding, Dr al-Sayyid 'Ali al-Sayyid, the minister of the People's Assembly and Consultative Council affairs, said: We believe in God's rule. Application begins with one's self and with the family. God forbid that the Koran be captive in Egypt. Else, why do we pray? We are Muslim people who believe in God. As for our legal system, it contains nothing violating the Islamic Shari'a, except for a few articles. The parties have agreed on the need to purge the laws of whatever violates the Islamic Shari'a.

Zaynab Ramadan said: I demand that health education be spread among the citizens, that the level of the curative services of the rural government hospitals and health units be improved, and that attention be devoted to the pollution phenomenon so as to protect the citizens' public health.

Ahmad Abu Zayd said: We must be proud of the democratic action experienced by Egypt presently. I wish the committee underlined the chaotic exercise of democracy as a result of which the outside world has come to imagine that all of Egypt is in ruins. Democracy must be tied to the public interest. Let us all realize that Egypt is targeted and that the country is not a single-party country.

Mustafa Sulayman said: Coordination must be established between the electricity and agriculture ministries so that power may not be cut off during irrigation periods. The law governing the relationship between landlords and tenants must be issued speedily and the foreign currency needed for the industrial public sector's requirements must be secured.

Fayidah Kamil said: I demand that attention be devoted to tourism, that direct flights to the tourist sites be encouraged, that the housing problem be solved, that housing be made available to graveyard dwellers who are forced to leave their dwellings, and that pharmacies be allowed to open all night so that patients may be able to get drugs at any time.

Mustafa Abu Talib demanded that the mosque's role in serving society and in spreading religious awareness among the citizens be strengthened, saying that this requires that preachers be given special training in order that they may be able to perform their role in spreading religion. He also demanded that they wear a special uniform and have a union to protect and attend to their affairs.

Mustafa Husayn said: I demand that the election, political isolation, and press laws be amended and that the only control over the press be the conscience of the journalist himself.

Hazim Abu Sutayt said: We believe in the freedom of the opposition out of our belief in bolstering democratic action. The National Party government exerts efforts to make use of the opposition's opinion on tackling society problems and issues.

The assembly will hold its next meeting on 8 February 1986.

8494/12795
CSO: 4504/195

EGYPT

BUSINESSMAN DISCUSSES BLACK MARKET PRACTICES

London AL-MAJALLAH in Arabic 25-31 Dec 85 pp 36-37, 39

[Article: "Biggest Egyptian Money-changer Speaks to AL-MAJALLAH After Release from Jail; Bureaucratic Decrees Will Not Eliminate Black Market"]

[Text] Cairo--With the money-changers controlling the Egyptian currency exchange market, the government had to consider two solutions in order to control the market: either acknowledge the presence of a new group and a new activity emerging under the canopy of the economic open-door policy, namely the money-changers, and codify a money-changing system for them, or give the banks a free hand in setting foreign currency prices according to supply and demand. This time, the government must think a thousand times before it issues any new economic decrees so that it may regain confidence in the banking apparatus and in its economic policy, since the market has been clamoring over the countless economic decrees and laws that have resulted in an insane and unprecedented rise in the price of the U.S. dollar in Egypt at a time when the dollar has been losing ground against the other world currencies.

If the Egyptian government is currently giving serious consideration to codifying the money-changing system, the Egyptian money-changers who form the new lobby welcome such a decree, but according to the conditions and controls they deem necessary. AL-MAJALLAH interviewed Sami 'Ali Hasan, the best-known Egyptian money-changer, for the first time since his release from prison and since the Values Court issued a sentence sequestering his money and properties. It is said that the volume of his transactions before the sequestration amounted to 2 billion pounds.

To begin, the Egyptian money-changing millionaire recounted the story of the emergence of the money-changing market, saying:

The Egyptian money-changing black market developed under the canopy of the Egyptian open-door policy in 1974 and 1975. There was then no real money market but rather a group of individuals who transferred to each other sums remitted to them from their accounts.

The private sector's needs surfaced in 1978 and 1979, the currency acquisition law and the imports law were issued, and currency circulation developed. The reason for this circulation is that merchants wanted to import goods from abroad and resorted to the black market money-changers. Previously, the banks

met the market needs by way of the Central Bank because the volume of imports had then been smaller than in 1978 and 1979. The people's demand for foreign currency generally grew and most imports came via the local market and according to individual needs, not via the banks, which did not possess adequate assets of foreign currencies. This is a mistake that continues to exist and that has led to the emergence of the money-changing black market to meet the private sector's needs for foreign currency. Moreover, the banks lack the channels to attract such currencies from abroad. The black market's entire activity relies on the savings of Egyptians working abroad. These savings meet a large number of the market's needs and constitute a good source for supplying the black market with foreign currency because they flow into the market daily to supply the free accounts which in turn supply the import accounts.

We Are Not Black Market

The phrase "a money-changing black market" is a phrase which money-changer Sami 'Ali Hasan rejects. It means, according to Hasan, that the money-changer exploits all the foreign currency available to him in the interest of importation from any country in the world. He is not a dollar- or a pound-changer but a changer of various currencies. The gathering of savings constitutes a part of money-changing and Sami believes that the flow of the incoming currencies or the nature of the individuals' needs is what defines a money-changer. Money-changing is present in the other Arab countries, even though under different names such as a money exchange or transactions between individuals.

As to Hasan's opinion on the decrees which the ex-minister of economy issued on 5 January 1985 and which he described as decrees designed to strike at the money-changers, Hasan said:

Everybody issues the decrees he wishes but the outcome proves how creditable such decrees are. Before the money-changers' accounts were terminated on 8 August 1983, the highest price reached by the dollar until then was 118 piasters per dollar. Now, the current price of a dollar is 185 piasters, even though imports are suspended in various forms and even though there is a committee for the rationalization of imports. Before the termination of the accounts, the door of imports was wide open and we imported whatever we wanted. Before the termination of the accounts, the prices were moderate and there was a sufficient supply of dollars. But the currency market has one "boss." Demand is the market boss and the biggest money-changer in the market is the one who commands the highest demand in the market.

Hasan described the 5 January decrees as unobjective bureaucratic decrees that do not reflect the Egyptian currency market. It suffices as testimony to the Egyptian money-changers that the dollar's price is nowadays rising whereas the Egyptian pound's price is declining, even though a rise in prices is not the main concern of the money-changer, who is interested in stable prices so that the capital cycle may continue. The greater the volume of the capital cycle in Egyptian pounds, the better it is for the money-changer. The dollar which the money-changer used to buy for 118 piasters now costs him 185 piasters. This means that the money-changer's purchasing power had declined, that he cannot purchase enough dollars, and that his profit is decreasing. A money-changer's purchasing power increases with a stronger Egyptian pound because he can buy and sell more dollars.

Meeting All Needs

Talk about dollars is especially palatable to money-changer Sami Hasan. He used to live with the dollar 18 hours a day, sitting at bank directors' desks, watching the world bourses, and receiving accounts remitted from the Arab countries. He is not at all surprised by the insane rise in the U.S. dollar's price in Egypt. He said:

As a money-changer, I attribute this rise to the fact that the market has no boss, meaning that the market finds nobody to regulate it. The Central Bank wanted to curb the price rise and formed a committee to control and set the price each day. We have not heard the outcome of this committee's meetings. What does the meeting of a committee to set the price mean and on what basis is this price set? Has the committee met all the needs? Does the foreign currency accumulated by the committee flow to the private sector or to the public sector only, with the private sector resorting to the black market money-changers to get what it needs for its imports? The dollar's price has risen and we have reaped no benefit from the committee formed by the Central Bank. When I operated in the currency market, I met the needs of both the public and the private sector simultaneously and the dollar's price never reached its current level. For this price to drop in the market, both the public sector and the private sector must operate at the same time and the Central Bank must be in possession of enough foreign currency to meet both sector's needs and to bring down the price. Some foreign currency resources have dried up because some Egyptian workers are returning from the Arab countries due to the special circumstances of these countries. The unavailability of foreign currency to the Central Bank has not enabled the bank to control the market. Moreover, there are internal flaws in the Central Bank's economic policy. The sentence of the Values Court in the banks' case has pointed out these flaws.

At the same time, the Central Bank was supposed to acquire foreign currency resources from companies selling in a foreign currency so that these resources may be distributed to other companies in need of foreign currency. Instead, these companies make their transactions with each other and in freedom from the Central Bank. I believe that the government can control the market price by collecting the revenues of the public-sector companies' exports and distributing these revenues to the other companies that need foreign currency, with the state setting a reasonable exchange price. The companies say that they are losing and that they want to make up for the loss by selling their foreign currency to other companies at a high price. Thus, the cost to other companies increases and centralization in collecting foreign currency resources disappears.

Money-changers Committee

Hasan said further that if the state is thinking of setting up money-changing offices, then these offices must be given freedom and a tax exemption for a certain period of time similar to that given the investment companies. It is Sami Hasan's opinion that money-changing offices are places where ordinary people exchange small sums of currency and that money-changers and banks complement each other because the success of money-changing relies on the fact

that there are citizens who possess foreign currency and who are afraid to go to the banks. A money-changer is more capable of dealing with such people than a bank. The group in possession of money nowadays consists of people with middle-level education and craftsmen. These people remit their money to Egypt via the black market money-changers so as to make a bigger profit than the profit they make from dealing with banks.

8494/12859

CSO: 4504/135

EGYPT

BRIEFS

ALEXANDRIA SEWAGE PROJECT COMPLETION--Alexandria--Work on the emergency sewerage project for Alexandria will be completed in May, before the onset of the summer season, so as to eliminate beach pollution. The project will cost 50 million pounds and provides for eliminating all the outlets which have been dumping waste on the beach from al-Ma'murah to al-Silsilah. It also provides for collecting the waste of the eastern part of the city through new networks and for treating and purifying this waste in the treatment plants and then for pumping this waste through open sewers to al-Maks pumps which will in turn pump it into the sea after the pollution rate is reduced to no more than 5 percent. The wastes of the central part of the city will be collected and pumped into the sea near al-Silsilah and Qaytibay through three outlets, each with a length of 750 meters and a width of 36 meters. Fawzi Ma'adh, the governor of Alexandria, accompanied by 'Izzat Qadus, the Local Council chairman, and Engineer Salah Hasaballah, the Arab Contractors Company chairman and the man in charge of implementing the project, yesterday inspected the project sites on the spot. The governor stated that the work is progressing at a record pace and with high efficiency. He added that this project is not in conflict with the city's comprehensive sewerage project, which will determine whether the final site of waste disposal will be located on land or at sea. The work on the comprehensive project is scheduled to be completed in 1990 and the current project is tantamount to an initial phase of the comprehensive project. The governor added that the current project will be completed on schedule and before the onset of next summer. [Text] [Article by Sami Riyad] [Cairo AL-AHRAM in Arabic 29 Jan 86 p 8] 8494/13252

CSO: 4504/194

LIBYA

PAPER DENOUNCES ROLE OF U.S., WEST IN GHANA

Tripoli AL-ZAHF AL-AKHDAR in Arabic 23 Dec 85 p 10

Article by Salim al-Ziyadi: "The Train of Terrorism Is Arriving in Ghana"

Text Although the languages of capitals, political methods, "intelligence" activity, the weaving of intrigue and conspiracies and even the viewpoints and culture of their filthy symbols differ, imperialism is the same in all its nests, from Paris to London to Washington.

However, before getting into the details of our subject, we must point to an important "fact" which concerns imperialists' relations among themselves toward the formerly "colonized" countries of the third world and toward the African continent in particular. This fact is manifest in the absence of "contradictions" among the imperialist countries and old and new imperialism as far as areas of influence are concerned, especially in the African continent. That is, there is no contradiction between French and American colonial policy. Rather, what does exist is just "conflict" among imperialists.

France wants to maintain exclusive dominance over its old colonies, and does not want anyone to interfere in what it considers to be its affairs. It does not want competition from anyone in stealing Africa's bounties and it does not want counsel from anyone in placing agents--or, as one of its presidents once expressed it, "France is not satisfied when one of its children marries someone i.e." Therefore, it has drawn up a collective body of "French-speaking countries"--the "Francophones" who are not worthy of a continent which is trying to seek its own identity, control its own resources and create its new people, free from the dregs of the defunct old order.

Today American imperialism is throwing its weight in the black continent on regaining Western influence on its own behalf at times, as an heir of the old colonialism in a new form, and through support for regimes which still have ties to colonialism at other times.

American imperialism has followed two methods in its dealings with the countries of the continent.

First, it has devised conspiracies and military coups against regimes opposed to imperialist influence in all its forms.

The second has been to tie economic, technical and military information to conditions which thwart the African countries' ambitions to achieve a social liberationist substance for their movement of political independence, so that they will continue to be a source of raw materials and a market for Western commodities and technology on the economic level.

These are the prominent characteristics of the movement of French and American imperialist axes in the African continent.

Therefore, a political reading of the events which a specific African country going through cannot be separated from a comprehensive reading of the events the entire African continent is going through. These may be summarized as a continuous confrontation between the forces of liberation and revolution in the continent and the imperialist forces which have designs on them, their resources, their capacities and their situation, as we have specified above.

Some months ago we were in Ghana, one of the high spots of progressivism in the African continent today and one of the countries in Africa which have been fatigued and exhausted by coups and people holding coups. We have seen that there are people and leaders who are trying to regain the status. Dr Kwame Nkrumah set aside for them, starting in 1957, when he put Ghana in the vanguard of African countries opposed to imperialism, backwardness, colonialism and racism and alongside the Egypt of 'Abd-al-Nasir and Algeria, then a flaming revolutionary center in the midst of the jungles of Equatorial Africa, and the destination of African liberation movements.

We saw the Ghanaian people seeking to control their country's economy and their revolutionary leaders realizing that independence would not change the basic framework of an economy which colonialism had basically established. Therefore this was the nature of radical problems the colonialists' rule had created after independence, toward the creation of circumstances which increased grave contradictions within the new Ghanaian government.

Although Ghana is a country which seized its independence ahead of most African countries, political instability played a role at the expense of the Ghanaian people's progress. As we know, military coups are the easiest, and shortest for reasserting the Westerners' dominance and influence over the countries of the black continent. In addition, the technique Western imperialism follows against the African countries is still in place:

The recruitment of mercenaries on behalf of local reaction in its struggle to eliminate regimes which are pursuing a progressive national course in this direction, even if that is not radical; modern Ghanaian history is the most eloquent confirmation of this.

However, it appears that imperialism has realized that the African peoples have become aware of its game and has started to change its styles. Yesterday the American government declared the suspension of aid to the Ghanaian people.

What aid are the imperialists giving the peoples of Africa, do you suppose?

The imperialist countries' entire economy, as we have pointed out, is founded on what is contained in Africa, which is considered to be the storehouse of raw materials and international resources, from wood and gum arabic to gold and uranium.

In Ghana, for example, there is more cocoa than in most countries of the world, but nonetheless the people of Ghana benefit only a little from it. Most of it is smuggled out to foreign Western companies which export it through Togo and other countries bordering on Ghana.

How, then, can the imperialist countries claim that they are offering the African countries aid which they cut off when they want, and offer when they want? The aid they are claiming to give comes from the land of Africa by theft, plunder, piracy and smuggling; since the Europeans and Americans came to the African continent they have even been stealing African people, putting them in slave markets and engaging in triangular commerce in them. What then can one say about the tremendous resources and other bounties of Africa?

Today as soon as the Ghanaian people and their leaders declare the renunciation of obedience to American imperialism, refuse to submit to its inhumane conditions, expel the spies it has planted on their territory and inter the cadavers of its agents, America declares the suspension of aid and economic blockade against the Ghanaian people; but will America be successful in what it aspires to do?

Certainly not, because America had previously engaged in this terror against other African countries and failed, by the admission of its "grantees." It came up against a stubborn revolutionary will which spoiled all its schemes. In addition, American arrogance, by venturing on this step, has caused the movement opposed to it to add another people to the scales hostile to it. The Ghanaian people have realized that the terrorist train of imperialism has arrived at their country and they therefore have started to make their preparations to confront it, whatever the price might be.

11887

CSO: 4504/202

LIBYA

FRENCH ACTIVITIES IN CHAD DEPLORED

Tripoli AL-ZAHF AL-AKHDAR in Arabic 23 Dec 85 p 10

Article: "It Is Not One of Elysee's Cards"

Text In order for the French to get to Chad, they have to pass through more than one country, they must go beyond more than one border and are compelled to stop at more than one checkpoint. Between France and Chad there is more than one natural and man-made barrier. In spite of that, France has reached Chad!

How many countries separate Libya from Chad, though? How many borders must a Libyan go beyond in order to reach his brother in Chad? How many checkpoints is it necessary to stop at? For the French to reach Chad they have to cover thousands of kilometers, but how many kilometers must the Libyans cover to get to Chad?

What a difference there is between the distance between Paris and Njamena and that between Sabha and Njamena! That is one point.

As to the other point, what social ties bind the French to the people of Chad? What spiritual ties? What economic ties?

France has tied the people of Chad to itself politically, and by force and by virtue of these ties have colonized Chad, plundered its bounties, driven out its people, stirred up dissension and unrest among them and thereby weakened the social ties among the people of Chad, so that internecine fighting and combat have occurred and affection and mercy among brothers has been severed.

We find that the ties which are lacking between the French and the people of Chad are obvious between the Libyans and the people of Chad, since the two peoples have been linked socially and spiritually, and nature has united them and linked them together.

Politically, Libya does not impose its views by force and does not interfere in the affairs of any country. Even if circumstances make interference mandatory, owing to a feeling of danger, that interference must be preceded by a vote.

We have said that France is distant from Chad, geographically in the first place; in spite of that, France passed over more than one country and crossed more than one border, and did not stop at any checkpoint until it reached Chad. It used it as a field for training French people in the nature of African terrain and used other areas as places for storing its various weapons! By what right and under what excuse does France, a European country situated north of the Mediterranean, cross the sea, get to the south of Africa, enter Chad, divide it up into north and south and set out geographical coordinates for it?

What has France offered the people of Chad, whom it colonized many years ago and over whom it is now trying once again to spread its influence? By what right does France try to stick its nose further into Chad, assembling a group of Gallicized African presidents on its territory and forcing them to say that France has a right to Chad and, under pressure, condemn what is called in French the Libyan occupation of Chad? Is France really concerned that every people in every country live free and absolutely sovereign, without anyone interfering in their affairs?

Not at all. France is lying, because it tries to dominate Chad. It tries to stick its nose into other African countries. On top of that, it is also crossing seas and oceans to reach Caledonia, to colonize its people, and it is trying to imprint the French character on them. And so on.

So France is lying.

That is because Chad is African, because its people are Moslem and because it is a neighbor of ours and of our nation and it has members in the Organization of African Unity, and consequently Chad's security is the same as Libya's. Just as Chad has the right to "occupy" Libya, if we assume that the Italians were trying to come back, the same is the situation with regard to Libya; it has the right to "occupy" Chad. This is something over which there is no dispute and it is not open to discussion at any level.

Libya, in spite of what has been said, did not intervene in Chad with the purpose of colonizing it or plundering its resources, as France is doing. Although they try to hang the expression "colonialism" on Libya, it cannot be applied to Libya, in accordance with what was mentioned above, even if the Libyans go into all of Chad's territory. That can be explained by several reasons, foremost among them social relations. Libya entered Chad on the basis of a request from the people of Chad themselves, with the goal of saving them. In spite of the intense suffering and in spite of the harsh desert and its frightening vastness, pride drove the Libyans to respond to the appeal of their brothers in Chad, taking on all challenges.

In the course of no more than 3 years, the Libyans opened schools for the people of Chad in the north with the purpose of teaching them and saving them from the darkness of "French ignorance." It provided them with the necessary food to save them from the specter of drought which was threatening

them. Thus it has become difficult to compare the people of Chad in the north with their brothers in the south, since France has set them apart by an east-west line and there they have continued to groan under the specter of drought, the whips of agents and the arrogance of colonialists.

Logic states that the Libyans are worthier of Chad. They have a better grasp than the French of its people's social problems and their tribal and clan struggles, and thus the Libyans are better able to solve these problems among their brothers of Chad, without needing translators or "round tables," and therefore are far removed from the limelight.

What does France want? Why is it installing itself as an overseer, by force, over Chad, an African country? Why is France pretending ignorance of the Organization of African Unity, which has legitimate authority to intervene and resolve all struggles among African countries? Why is France trying to cast doubts on Libya's intentions toward Chad and describing it as an occupying force, sometimes, deflecting charges from itself and basing its fantasy on Libya's attempt to form an empire in Africa, while France has underhanded contingents in every continent? Why is France pretending ignorance of the sight of the people of the south, who have packed the suitcases they still have, leaving their country in humiliation, fleeing the tyranny of the French occupation in an attempt to rid themselves of repression.

France must realize that the era of tutelage and the time of occupation has gone. It must be aware that Africa is for the Africans.

France must not link its presence in Chad to the Libyan presence. How great is the difference between the two presences! The former is an occupation and the second is the intent to save a fraternal people from the terror of oppression.

The Libyans are more worthy of extending help to the people of Chad. France must depart. France must be aware that it is losing materially and morally. Its presence in Chad amounts to no more than political propaganda which the rulers of France are trying to raise in the election campaign; however, it is false propaganda. As for Chad:

It cannot in any case be French. Chad's problem cannot be solved in a French way or by Mitterrand's presence in Africa. Chad is African and its problems can be solved only in the African manner. Let the colonialists depart.

11887
CSO: 4504/202

LIBYA

EXAMPLES OF DOMESTIC CORRUPTION REVIEWED

Tripoli AL-ZAHF AL-AKHDAR in Arabic 23 Dec 85 p 10

/Article by Bashir Na'san: "On 'Where Did You Get This From?'--This Is Not by the Grace of My Lord"/

/Text/ What provokes one's amazement and calls for wonderment is that while we are calling for equality and condemning all manifestations of material and moral differentiation and discrimination, at this time in which the revolution, the revolutionary forces and the masses are pulling down all the symbols and culture of the old society, these people who are trying to make the masses a beast of burden which they can ride, this scum which builds "halos" around itself every day and turns itself into a class distinct from the other Arabs of Libya, monopolizes everything, give orders so that everyone obeys, makes prohibitions so that everyone comes to a halt and speaks boastfully about the revolution and its loyalty to socialism and the power of the people, though we find that all its acts and forms of conduct embody a culture which is not that of the era of the masses. At a time in which we assert the mass nature of everything, we find it erecting barriers against the attainment of that--indeed, it blocks this aspiration. We find it embodying arrogance, dominance, presumption, boastfulness and all manifestations of immunity and self-aggrandizement.

One of these persons is a municipal conference secretary. He deigns only to ride cars whose type no Libyan Arab owns, and to have them in general painted in color of blood. We do not know the reason for that! He speaks in his private and public gatherings about socialism and the need to apply decrees on going without luxuries and manifestations of pomp, while he himself wears only clothes brought in especially from Italy and Paris. Even his type of wristwatch has not come out to our people's markets yet. We are not talking about the speeches and interruptions of this person who has recently turned himself into a "deputy" but we believe that someone who says one thing and commits the opposite action is only a /word omitted/.

You will also find others like him in certain secretariats, people's departments and companies. Everyone is building palaces, constructing villas and forming cliques and proteges who ride fast cars, wear expensive clothes of all styles and types and have all their time free to hold and arrange

soirees, banquets and so forth. Another example is an assistant secretary of a municipal conference who has an apartment and a plot of land and will soon obtain a construction loan. He may obtain it. We have nothing to say, except how did this happen?

Another example was a person in one of the municipalities who was appointed head of a service agency; he goes about, gets divorced, gets married, dissociates himself and gets involved with everything. By himself he owns a plot of land of 1,500 meters--what do you expect he will build on it?--and some fast cars. In just the same municipality there is another "grasping person" in an administrative position who has obtained a farm for his father and another for his brother in law. Foreign workers are still working on them; who can stand up to him?

Some secretaries still own slaves whom they employ as special servants to cook, clean clothes and supervise the coordination of their immune wives' affairs.

A secretary of a municipal conference, over television, on the issues program, talked about inflation in the world and the tourist villages, by which he meant the tourist village in Tripoli, although he is one of its habitual customers and pays more than 1,000 dinars a month himself for lodging in this retreat. We leave the background on this up to you!

An employee in a communications office pays 300 dinars a month to a butcher to set aside two lambs for him a day. We do not know where he takes them and what the secret is.

Another junior officer has 24,000 dinars' worth of gold!

An employee in a people's office in Latin America brought four fast cars in the past. He rents his palace out for 1,000 dinars a month to a foreign company and is preparing to assume a new position while awaiting the intentions of his cronies in the Foreign Ministry.

Another person has just come back from a people's position abroad to get a palace, overnight, while citizens wait for years to get an apartment!

Another disgusting example has been a contractor whose cronies introduced him to purchase and import channels. He drives only the most luxurious types of BMWs and Range Rovers, and the construction of his sublime palace is nearly completed.

An official at the head of an agency was observed abroad with a mistress. After that she obtained a plot of land; not a short period of time elapsed when a building of only three stories was built on it.

A member of the "dissolved" producers' federation bought a farm recently for 46,000 dinars! These are some noxious examples that the revolution did not crush after the masses of the people situated in their conference areas

learned about them. They would not have obtained all this had it not been for theft, deception and facilities. Many are those who have started to proliferate, out in the open, shamelessly. We will soon start to expose them by name, without fear of anyone, because we are not afraid of anything, lest we encourage many people to act badly, exploit positions and corrupt people's integrity by our silence.

If we do this we will have neglected our freedom and surrendered all the successes and quantum leaps which have been achieved through the action of the revolution. Since there are no "beautiful" people to the masses, we will work to amputate the tumors which are trying to overwhelm the masses, everyone who has grown rich at the expense of the masses and development will soon meet his ends and you will see the end of the birth pains of the people who have proliferated unlawfully.

We will see much. With the application of the "where did you get that from?" decree, it has become apparent that the masses realize that the skies do not rain gold or silver and they will not be deceived that that is "by the grace of my lord," because they know where the thefts come from. The people who have stolen from the masses will become aware.

11887

CSO: 4504/202

LIBYA

EXCESSIVE DEMAND FOR AIRPLANE SEATS REVIEWED

Tripoli AL-ZAHF AL-AKHDAR in Arabic 23 Dec 85 p 9

/Article by 'Abd-al-Salam Salamah: "The Passport (Office) and the Airlines-- Who Is Harrassing Whom?"/

/Text/ When a person does not have a grasp of the laws or is ignorant of them, because of his age, is amazed by the technicalities that govern everything, or cannot master them, that does not mean that the law is infringing on that old man because he was born in a period when life was simpler. Rather, it treats him on an equal basis with people who are younger than him. The law does not protect the negligent.

When a person treats the laws with contempt and the caprice of youth provokes him, that does not mean, either, that the law will be lenient or tolerant with this person who has been provocative with his caprices, showing contempt toward everything, as if everything is under his thumb or mobilized to serve him alone.

When you are outside your country and representing it, other people view your country through you, that is, you are a reflecting mirror, in their opinion, reflecting the image of your country and the image of the citizen in your country.

Your respect for the law, your respect for others, your conduct and your commitment, based on all these things--when they look at you that means they are looking at your country.

I mean that the citizen outside his country does not have complete sway over himself; we have no choice in that; others take this view even if their judgment is wrong, it is still the judgment of the majority.

All negative features are accepted from anyone within his own society, but outside his country they are repudiated.

Domestically, we evaluate a person on the basis of his conduct and his ways of dealing with others. We say that one person has praiseworthy morals, and another person's morals are "uncouth." Abroad, however, the evaluation starts and does not end with the external appearance.

These pictures were taken inside the Libyan Arab Airlines building, since this building witnesses a course of congestion and suffering among citizens every day which has prompted us to comment on this problem.

Citizens visiting the fraternal country of Morocco are met with unparalleled suffering and sometimes are subject to manipulation by some people, and even though the citizens themselves are participants in this process, the proliferation of "contentious behavior" at the entrance to the airline office remains an issue which must be remedied, whatever country it may be in.

If we want to enumerate the bodies which are responsible for this matter, the passport and airline (offices) are the two people's bodies which are responsible, in addition to the citizens themselves, and if we want to attach more responsibility to either of the bodies than to the other, the passport (office) is more responsible.

There is no coordination between the passport and airline (offices).

The passport office gives out exit visas in unspecified numbers without looking at the airline's resources for transporting these people.

The airlines remove themselves from the realm of responsibility by saying "Our resources in airplanes are limited. The number of passenger planes is declining because of the embargo that American imperialism, which is lacking humanitarian features, is trying to impose!" Because this argument is largely acceptable, the responsibility remains that of the passport office in coordination with the airlines. In any case, we demand that the resources available to us be evaluated and that our ability to offer services be defined. If demand exceeds our ability, it would not be bad if we said "May God not assign more to a spirit than what it is capable of." Beyond that, the citizen must be responsible for himself.

The citizen must feel his freedom and live in dignity outside his territory as inside it. The passport office and the airlines do not have the right to turn a citizen into an evil murderer, a plundering thief or a beggar sitting down in the middle of the road to pay the expenses of his sojourn after his stipend has been used up and he has been able to find no means of transportation. We cannot be content with these ugly phenomena; no matter how great the citizen's responsibility might be, he can turn it into an argument in his own behalf and hang it on the clothes rack of the people's departments concerned outside the country, because he can not find anyone to give him warning before he leaves.

Therefore it would not be bad for the passport office to coordinate with the airlines and for the airlines to communicate with the passport office about its resources, and, on the basis of the airline's resources, for the passport office to give exit visas to any country. Isn't that better than this official harassment from the airlines and passport office together?

Our brothers in Libya and Morocco have the right to come together, embrace one another and meet around the wedding table after they have come to understand the serious nature of the stage and have joined together in Arab-African union, as a step along the road to the attainment of comprehensive unity.

Our union does not gladden our enemies, and they do not like our constant meetings. Their hope is that some of us will go east and the rest of us will go west. What a difference there is between the two journeys!

It saddens our enemies--indeed it causes them wounds and ulcers--to see Libyans talking with and embracing their Moroccan brothers. It provokes their rancor to see Libyans visiting their Moroccan brothers in their homes and to have Moroccans exchange similar visits with them, share customs and traditions and complement one another.

Many people have been struck with amazement and very very many have been unhappy to see Moroccans sharing pieces of bread with their Libyan brothers and exchanging work sites with them. However, that is nothing wrong. We tell them that this is one of the fruits of unity.

No matter how great the negative aspects of the congestion and exchange of visits that we are witnessing on the common level between the two countries might be, and no matter how minor the preparations might be, that gives categoric proof of the depth of the relationship between brothers in the two countries and gives proof of the spirit of true affection. All negative features and all difficulties inevitably dissolve before this solidarity and sincere sentiment.

Unity is our hope, unity is our goal and unity is our path; the more the enemies rush forward and cast doubts on the edifice of the union, the more we grow in insistence and determination; the more they try to set us apart, the more we grow in solidarity. Let the auctioneers, vindictive persons and enemies die while yet unborn.

11887

CSO: 4504/202

LIBYA

FRG EXPERT PREDICTS EARLY EXHAUSTION OF WATER SUPPLY

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 27 Jan 86 p 13

[Article by Karl-Heinz Karisch: "Libya's Irrigation Projects Seriously Threatened By Ruthless Exploitation and Rapid Salification"]

[Text] The road is asphalted as far as Marzuq. From there on it is a track, countless ruts in the desert ground that split, separate and cross each other. An alternating rock and sand desert in yellow, white, brown and black. The hot dry Sahara air flows through the open window and a glance at the compass helps one to get his bearings. The terrain becomes smoother and, not unlike a Fata Morgana, on the horizon appear the palm fronds of Gatrún Oasis in a scintillating lake of air lying on the sand. We are now 1,300 kilometers from Tripoli in the Libyan central Sahara.

The trail gets worse. Rock desert. Neither a blade of grass nor a lichen grows here. It is not without reason that the scientists call the Sahara "hyperarid." The Arabic "bar bela ma" (sea without water) sounds kinder.

Finally we reach the small experimental oasis. Windbreak trees surround small vegetable fields. A large open water receptacle is next to the pumping station. I look forward to a refreshing bath after the dusty drive. But nothing comes of it. The water pumped that morning from a depth of 600 meters has a temperature of about 60 degrees Celsius and cools only a little by evening.

A little moisture and the desert will be green. "No, unfortunately it is not as simple as that," explains Josef Pflueger, the Munich geologist who is accompanying us. "Desert soils are structured differently from ours and they quickly become salty under irrigation. But that does not matter," adds the hydrologist sarcastically, "in 20 or 30 years there will not be a drop of water in the Libyan Sahara and the adjoining regions that it would pay to pump out anyway."

Against the warnings of competent specialists throughout the world, who are predicting an ecological catastrophe, Libya's head of state Muammar al Qadhafi--called "Brother Muammar" by his people--is betting on his dream of a green desert that will make his country independent of food imports. He is thereby counting on an American scientist who relies on computer simulations

and predicts almost unlimited water occurrences in the central Sahara. On the basis of these calculations, the desert country threw itself into the most gigantic water supply project that the earth has ever known: the "Artificial River."

This with a difficult financial background: in the last 5 years, oil income fell from DM66 billion to only DM24 billion (estimated). Since 1982, therefore, industrial and housing projects amounting to billions were canceled or frozen.

Financial circles were all the more surprised at the beginning of 1984 when Libya awarded the first contract in the amount of about DM10 billion to the South Korean firm Dong Ah Construction Industrial Company for the "Artificial River." The total costs of the project are estimated at DM15 billion; annually the Libyans must earmark about DM1.5 billion from their public treasury for this project. In July 1985, HANDELSBLATT wrote with concern: "Not a few economists are asking themselves whether Libya, whose reserves are steadily disappearing, can afford such a project."

The "Artificial River" will be a water pipeline 1,900 kilometers long, through which 4 million cubic meters of water are to be pumped daily from the underground Saharan deposits in the Kufrah and Sarir basins to the Mediterranean coastal region in the north. The construction is estimated to take 7 years and will take place in two stages. Initially 270 deep wells are to be dug and the necessary concrete pipes with a diameter of 4 meters and a length of 7 meters are to be manufactured at two newly built plants. The line will go first to Surt on the coast, where 25,000 hectares of arable land can be irrigated. In the second phase, the area around Bengasi with more than 50,000 hectares of fertile land will be developed.

In addition, the planners want to connect various industrial enterprises and newly established villages along the pipeline to the water faucets. In the final phase, the Libyans hope to be able to irrigate about 180,000 hectares of arable land for the first time.

A frequent source of wonder is the question why the Libyans could come upon the idea of pumping water to the coastal region from precisely the driest region of their country, the central Sahara. Only experts can determine the reasons for this. They are found in the issues of the U.S. trade journal GROUND WATER, in which Moid U. Ahmed, professor for hydrology at the University of Ohio, has published his work on computer-simulated underground water models since the beginning of the 1970's. Following contracts with the Kuwaiti Government, he has advised the Secretariat of Agrarian Reform and Land Reclamation since 1974.

"Artificial River"

Based upon the repeatedly used computer model, he and his mostly Libyan students always come to the same result: in the Kufrah and Safir basins in the Libyan desert, there will be enough water for the "Artificial River" project for decades. He thereby assumes that tremendous masses of water are

flowing under the Libyan desert sand from the Tibesti Mountains in Chad and the Sudan.

It is an assumption that English and German specialists have always contradicted, because then the water "would have to flow uphill." They point out the age of the underground water as determined with the carbon-14 method (measurement of the proportion of a radioactive carbon isotope). It varies between 3,000 and 40,000 years, having seeped into the underground when there were rainy periods in the central Sahara. Moid brushes this aside, arguing that the water has absorbed carbon from old underlying rock.

How false the model calculations for the determination of underground water are was seen disastrously in the Ogallala desert region in the northwestern part of the U.S. state of Oklahoma, where experts from six involved states had forecast increasing agricultural yields through the year 2020. But underground water reserves are already exhausted.

"The models are difficult to calibrate, for one would need wells that have had results for years," is how the geologist Pflueger explains the situation. As supervisor, for many years he monitored the deep drilling for water in the Libyan desert, now saying: "In all projects, the decline in the level of the underground water was substantially more rapid than we had calculated. At other sites, the withdrawals were neglected; everyone had wanted to prove to the Libyans that his project is viable."

False Assumption

There is indeed a tremendous underground lake that extends from the Tibesti Mountains in the south to the coast but it now seems that this lake contains huge funnels. Plueger considers Moid's assertion that the water has leached old carbon from the limestone, thereby presenting a false age, to be "absolute nonsense": "There is not much limestone in this area." Besides, one can clearly conclude from the rate of flow that the water is indeed as old as the the carbon-14 method indicates.

Plueger uses dry facts to foretell the development of the next 30 years. Accordingly, the salt water stored up in underground lentils, which does actually exist, will mix with the underlying fresh water. The pumping out of the water will cause the particle structure of the strata to harden. It will then become increasingly unprofitable to pump the water to the surface from deeper and deeper strata.

In the vicinity of the large oasis Sabhah, in which about 50,000 people live, salt water has already seeped into some deep wells. In the next decades, according to Plueger, the existing "natural vegetation" will die out and "it will end in a total ecological catastrophe for the Sahara."

Before that, however, another enemy will strike hard. An enemy that has already seen the bloom of the Sumerian empire between the Euphrates and the Tigris fade and die under glittering white crystals: salt.

For various reasons, salt migrates to the surface in desert regions. Whereas in our latitudes rain continually washes the salt out of the soil, the ground water in the Libyan desert moves from the bottom to the top, whereby in part centimeter-thick salt crusts form in the soil.

In the area of the Libyan project, this salt horizon lies about 1.5 meters below the surface; even at this depth, the ground water begins to evaporate and to deposit salts. Artificial irrigation dissolves these salts. They reach the surface through "capillary ascent" and there, because of the strong evaporation, they are again deposited when no provision is made to carry off the initially only slightly salty water through drainage. The water supply is not adequate for this, however. The salt is deposited and the cultivation of useful plants soon becomes impossible.

This is what has occurred in the project Wadi Aril near Sabhah. With the flushing of the soil, whereby tremendous amounts of valuable ground water are used, an attempt is made to wash out the salt.

But even when the soil was classified as low in salt--the soils are now subjected to a more accurate chemical analysis--the rapid salification of the Libyan agricultural projects cannot be stopped, for the underground water naturally contains a small amount of salt. And whereas, for instance, the Israelis in the Negev Desert tend their plantings with special hoses that transport small amounts of water directly to the roots and protect against evaporation with plastic sheets, the Libyans waste the precious liquid.

Because the Israelis have the patents for water-saving cultivation methods, the Libyans naturally refuse to employ the methods of the "Zionist enemies." So they spray the water into the air in the "bone-dry" Sahara, where temperatures rise to 50 degrees Celsius in the summer months and humidity falls below 5 percent. Soil scientists estimate that about 80 percent of the water is lost through evaporation but the salt that it contains remains. In the standard work "Lehrbuch der Bodenkunde" [Textbook of Soil Science] by Scheffer and Schachtschabel, it is lamented that vast areas in India, Iraq, the United States and Egypt have already become "completely unproductive" through these false irrigation methods.

In the 1970's, the Berlin geologist Prof Eberhard Klitzsch forecast the end of natural life in the Libyan Sahara. For more than two decades, he investigated the geological formations there and in 1978 he characterized the exploitation of the underground water as "ruthless": "In the foreland of the coastal mountains of northern Libya, the ground water reserves have been strained so far beyond the ground water renewal there that irreparable damage seems inevitable." In many oases, just a slight decline in the water table has already led to the beginning of the dying out of the vegetation.

But as long as the oil billions are still flowing, they are going ahead and building whatever was ordered. All of this has nothing to do with morality or responsible thinking. The laws of capitalism are in effect: "If we do not build it, another firm will."

Geologist Plueger already predicts that the Libyan pumps will also cause the wells in the Sudan and Egypt to dry up. He says sarcastically: "In 20 years, all of those who are now building that and who have responsibility for it will be out of the country comfortably enjoying their pensions."

TUNISIA

STUDENTS HOLD PRESS CONFERENCE ON DISTURBANCES

Islamic Tendency Group

Tunis LE TEMPS in French 9 Jan 86 p 2

[Article: "University Incidents: Islamist Students' Press Conference]

[Text] A student of Islamic tendencies held a press conference at the university campus yesterday evening.

Recent events which have taken place in various parts of the university, the Islamic students' position on the closing of certain faculties and institutions of higher education, the restructuring of the Tunisian University--such were the principal questions raised in the course of this press conference.

Speaking of the plans advanced by the minister of higher education, the Islamic students consider that he is aiming only at reinforcing the policy of selection.

Dealing with the closing of certain schools and faculties, the Islamic students' representative proclaimed the gravity of the present situation and the fatal results it will have on student life. They also specified that 5 Islamist students were wounded, 40 others arrested, and some drafted in the wake of last Thursday's confrontations between students and police.

Concerning the relations between the Islamic Tendency Movement and the other political currents represented within the University, the group emphasized the degree of dispersion presently experienced in university life, which prevents any coordination or joint activity.

Concerning the events that took place yesterday at the theology faculty, a female student of the Islamic Tendency who experienced the incidents explained that the latter began when a Destourian student was hunted down by fellow students, which led the police to intervene and disperse the demonstrators,

Destourian Student Group

Tunis LE TEMPS in French 10 Jan 86 p 2

[Article: "Destourian Students: Incidents Were Provoked by Extremists"]

[Text] The Destourian students held a press conference yesterday afternoon in Tunis. The incidents that have occurred recently in certain parts of the university, the closing of certain schools, and the problems the university is presently facing, especially the difficulties experienced by students at the theology and liberal arts faculties, were the main questions raised in the course of this conference.

The Destourian students denounced the acts of violence and aggression committed on Wednesday, 8 January, at the theology faculty by groups of "extreme right tendency." These acts of violence, which took on the aspect of torture, were perpetrated on the persons of Destourian students in accordance with "sentences" pronounced by certain extremist students.

The execution of these "sentences" was "entrusted to persons some of whom were even outsiders to the faculty."

Entry to and exit from the faculty was cut off for Destourian students so "that they were hemmed in and trapped."

This situation provoked tension and a veritable psychosis at the theology faculty. These incidents are not isolated acts, the Destourian students added, pointing out that they form part of a whole series of provocations carried out by extreme-rightist groups whose goal is the "physical extermination" of the Destourian students.

On Monday, 6 January, two Destourian female students were also victims of outrages; these aggressions fall into the category of "reaction" against the incidents that took place at the liberal arts faculty. As to the causes of these agitations and of the tension reigning at the university, the Destourian students advanced the hypothesis that the incidents which took place last Wednesday constitute a reaction to "avenge the dean of liberal arts" or "a plan" conceived by the extremists in order to weaken or "annihilate" the presence of Destourian students on the university scene.

The Destourian students denounced the "terrorist" acts, those who carry them out, and those who encourage them, and expressed their insistence on exercising their right to affirm their presence at the university, just as all other political tendencies do.

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CSO: 4519/47

TUNISIA

NEW BILL PROPOSES UNIFYING LEGISLATION FOR NATIONAL SERVICE

Tunis LE TEMPS in French 27 Jan 86 p 1

[Article: "Military Service: What's New?"]

[Text] A new bill currently under study proposes unifying legislation on military service and on civilian service and in particular to abrogate the law relating to individual assignments, considered inadequate in actual practice.

According to the minister of national defense, the new bill emphasizes the new concept of national service based on the dual principle of equality and universality, within the scope of global defense.

After receiving basic military training, according to the new concept, employment in development units, in public institutions, and in units of domestic security forces is considered a form of fulfilling ones national obligation, the same as military service.

In applying this concept, conscripts will be assigned after having received basic military training, either to military units, to units of the domestic security forces, to development units, to public institutions within the country or abroad, or within the scope of technical cooperation. We also have learned that while the length of military service remains one year, as before, after the first 3 months of basic military training, the interested person may be assigned to one of the following sectors:

- the army;
- domestic security;
- economic institutions;
- public service and related organizations;
- international cooperation.

Student Deferrals

Concerning students, the new measures under study could reduce the maximum age for deferments to 27 years instead of 30 years. Actually, few students complete their studies after the age of 27. Generally, the former student marries and becomes a father between the ages of 27 and 30 which leads him

to ask to be released from military service because of family obligations. As a result, enrollment in the army will be obligatory at 27 years, although deferment for higher studies will remain valid.

Furthermore, for greater equality and universality in the concept of national defense, the bill under study annuls the right to deferment for children of members of the resistance and for workers emigrated abroad.

Finally, it is to be noted the bill provides in its transitional provisions--considering the limitations of material and training resources for national defense--that all young persons born before 31 December 1963 will be definitively released from military service, although they will remain at the disposal of the reserve army.

9772/12947

CSO: 4519/63

TUNISIA

POSSIBLE EFFECT ON ECONOMY OF OIL PRICE DECREASE

Tunis LE TEMPS in French 27 Jan 86 p 4

[Article by RBR: "Petroleum Prices Adrift. What Effects on Tunisia?"]

[Text] After a week which witnessed a sudden drop in prices on the petroleum markets in turmoil, petroleum prices are adrift and the way is now open for a reverse petroleum set-back, this time for the benefit of consumers. However, despite prospects for a drop by one-third in the revenues of exporting countries, OPEC does not seem disposed to attempt to stabilize petroleum prices.

The hydrocarbons sector plays a key role in the Tunisian economy although its importance has been declining from year to year. It is of cardinal importance for exports. In 1985 it earned 40 percent of the value of Tunisia's exported goods and 26 percent of the total value of exports (goods and services). Nevertheless dependence on petroleum has strongly decreased since in 1981 these proportions were 53 percent and 37 percent, respectively. For purposes of comparison one should note that in 1985 petroleum provided one and one-half times the total receipts from tourism, and more than double the value of sales abroad of phosphates and other chemical products.

It must be pointed out that while Tunisia is an exporter of petroleum products, it also imports them. Actually, the overall commercial balance in the energy field is favorable. Nevertheless, by the year 2000 it will be unfavorable because of depletion of the deposits under exploitation and the increase in consumption.

Petroleum "Difficulties" in 1986

Among the definitely acute difficulties within the developmental plan for the year 1986, the petroleum difficulty is a major factor. It says in the economic budget that "in the light of recent information on the potential of deposits currently in operation, it is assumed that there will be a new decline in crude petroleum production (from 5.3 million tons in 1985 to 5 million tons in 1986) which, taking into consideration the evolution of energy consumption (+ 5 percent), and the trend toward decline in petroleum prices, will be expressed in a strong reduction in the surplus for export, the latter declining from 292 million dinars to around 200 million dinars in

in 1986 alone, or a reduction of around 32 percent from one year to the next. It is stated that these hypotheses assume a reduction of one dollar per barrel, with an exchange rate of 800 millimes to the dollar, as against an average of 850 millimes in 1985. For purposes of comparison it should be noted that last year, taking into account the trend toward reduction in export prices (\$2 less per barrel) although the American dollar continued at a high level, a smaller decline in production had the effect of reducing noticeably the commercial balance surplus in the hydrocarbons sector: from 347 million dinars in 1984, it dropped to 292 million dinars in 1985.

What Will Be The Effects Of The New Decline?

It is indisputable that the fall in the price of petroleum, combined with the decline in the dollar, will cause a noteworthy diminution in petroleum revenues. The "capital loss" of 100 million dinars written in the forecasts will necessarily be greater. Thus aggravated, the petroleum difficulty increases the tensions affecting the balance of payments.

Although it is too early to put a figure to this supplementary lack of earnings, taking into consideration the other difficulties (reduction in transfers of income from abroad and the deterioration in the terms of trade) it appears that the only possible way to envisage fulfilling the objectives set forth in 1986 remains the narrow path of promotion of exports and tourism. The two sectors ought to progress at a better rate than attributed to them and this is the opinion of very ambitious specialists. "There should be no illusions, the year 1986 will be very difficult," we wrote in setting forth the principal lines of the economic budget.

With the fall in the price of petroleum this assertion gains force--rigor and austerity as well.

Finally, should one expect a stabilization or a decline in the price of fuel for consumption? There, too, an answer seems to be premature, although it is difficult to see, under the very difficult current economic situation the country is experiencing, how the state would agree to a reduction in its revenues.

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CSO: 4519/63

TUNISIA

BRIEFS

TRADE AGREEMENT IMPLEMENTED--At the government palace at the Kasbah on Monday, Mr Mohamed Mzali, prime minister and interior minister, received the delegation which is to go to Beijing on 13 January to put in force the trade agreements reached by Tunisia and China within the framework of the agreement signed by the two countries on the occasion of Mr Mohamed Mzali's visit to China in October 1984. This delegation will include representatives of the Sfax-Gafsa phosphate corporation, of the phosphate fertilizer corporation, of the Wheat Office, of the Commerce Office, of General Textile Industries Company, as well as a representative of the international cooperation department of the Foreign Affairs Ministry. The prime minister had to lavish his instructions on the delegation member concerning the trade program between Tunisia and China which will be implemented on a barter basis. Thus, Tunisia will import wheat, cotton and tea from China and will export phosphate fertilizers to that country. The prime minister emphasized in this connection President Habib Bourguiba's anxiety to intensify commercial relations with this friendly nation in 1986.
[Text] [Tunis LE TEMPS in French 8 Jan 86 p 2] 13070

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CSO: 4519/47

BAHRAIN

LIBERATION FRONT LEADER DISCUSSES RAMIFICATIONS OF OIL CRISIS

Nicosia AL-HURRIYAH in Arabic 12 Jan 86 pp 29-31

[Interview with 'Abdallah al-Rashid, member of the Bahrain National Liberation Front's Command Committee, by Zakariya Muhammad and Jum'ah al-Khalafi: "Oil Crisis May Loosen Grip of Oppression in Gulf; We Do Not Exclude Possibility of Iraqi Role in Attempt on Life of Amir of Kuwait; Disagreements Between Oman and Saudi Arabia Have Played Role in Omani Opening to Soviets"]

[Text] The Bahrain National Liberation Front is one of the active progressive groups in the Gulf area. Bahrain, despite its small area and population, is one of the more progressive emirates insofar as its youth's education and culture are concerned and one of the more reactionary insofar as its rulers are concerned, considering that these rulers are extremely subservient to U.S. policy and that they "host" U.S. military bases. Moreover, Bahrain has been the arena for an early labor movement that has had its role in influencing labor, union, and political activity in other Gulf countries.

AL-HURRIYAH conducted the following interview with 'Abdallah al-Rashid, member of the Bahrain National Liberation Front's Command Committee, on the conditions in the Gulf, on the Iraq-Iran war, and on the area generally in light of the background of declining oil revenues and of the signs of an economic crisis of a special kind--a crisis which will have its ramifications on numerous Asian and African countries whose reactionary regimes have been receiving aid from the Gulf oil-producing countries.

[Question] Let us begin with a question on the oil crisis which has caused a drop in oil prices and on this crisis' impact on the Gulf area and the Arab Peninsula.

[Answer] The crisis currently experienced by the GCC [Gulf Cooperation Council] member states had come as a result of imperialist plotting and monopolies, especially of U.S. imperialism, with the consent of Saudi Arabia. This plotting has weakened OPEC (founded in 1960).

The rise in oil prices was a result of the Arab people's struggle to gain control of their basic resources. But we must not forget that at the outset, American imperialism tried to exploit OPEC. Imperialism decided that a soft approach toward raised oil prices would serve its schemes: first, it would strengthen the Saudi and Iranian (the shah's) regimes economically, thus

enabling them to perform their role as the policeman protecting imperialism's interests. Second, raising oil prices would enable the United States to dominate West Europe and Japan and to control the course of their policy.

Moreover, the Gulf countries have not been able to exploit the surpluses they have formed and these surpluses have gone to U.S. banks to play their role in boosting the U.S. economy and developing its war industry.

U.S. imperialism has also converted some of these surpluses into loans and capital for the developing countries, thus gaining a greater ability to control these countries.

As a result of the increase in the GCC member states' revenues, there has been an economic "revival" and the regimes have tried to exploit this revival to divert the masses' attention, to disseminate the Western pattern of consumerism, to dilute the class struggle, and to waken the working class quantitatively and qualitatively by transforming it in part into a small and medium bourgeoisie.

Some of the oil surpluses have gone for major weapons purchases that exceed the needs of the area's armies and that include weapons which are so advanced technologically that these armies cannot use them. For example, the estimates of the GCC member states' weapons deals for 1985 amounted to \$28 billion.

Iraq's embroilment in the war against Iran has wiped out some of the oil revenue surpluses. Iraq has been getting \$1 billion dollars a month from the Gulf states to finance its war.

So it can be said that the benefit derived by the area's peoples from the oil upsurge is a partial benefit. The major beneficiaries have been imperialism and its monopolies, the ruling families, and their close associates among the big bourgeoisie, especially the compradors.

It can also be said that the current economic crisis in these states is having its negative ramifications on the area's peoples, especially on Bahrain. Numerous large- and medium-size projects have been frozen, numerous local companies and contractors have gone bankrupt, and the working class and toiling masses are shouldering the consequences of this crisis. The subsidies for essential consumer goods have been eliminated, wages have been reduced, prices have risen, and unemployment has spread.

[Question] Does this crisis have any connection with some changes in the position of the Gulf states toward the Iraq-Iran war--changes which emerged in the latest GCC summit?

[Answer] Iraq got itself involved in the war against the Iranian revolution because of its own calculations. U.S. imperialism and the Gulf reactionaries encouraged Iraq for the purpose of destroying the Iranian revolution and its influence on the area. These reactionary regimes thought that the war would not last long and that the Iranian revolution would be destroyed rapidly. But the war has gone on for a long time and its consequences have hit the GCC member states. The war has expanded to include the entire area through the tanker war, which affects the transportation of oil and of imported goods, not to mention its political and economic consequences to the area's countries.

The drop in oil prices has, moreover, put these countries face to face with difficult options. The masses have become accustomed to a lifestyle which cannot be maintained in the presence of this crisis. The Gulf states cannot supply Iraq with financial aid as they did in the past, especially since this aid drains nearly \$1 billion a month.

This does certainly have its role in bringing about changes in the position of these states toward Iraq and toward the continuation of this unjustified war.

These states' position toward the war is truly contradictory. While they support Iraq politically and financially, these states want at the same time to mediate with Iran. What is more, they ask the Soviet Union to exert its efforts to end the Iraq-Iran war at a time when they, with the exception of Kuwait, have no diplomatic relations with the Soviets.

This unrealistic policy has created contradictions within the GCC. Moreover, the position of the national and progressive movement in the Gulf and Peninsula area and of the area's peoples who reject this war because of its negative and serious consequences, especially in terms of bolstering the U.S. and NATO military presence in the Gulf area, and the demand by the nonaligned countries and by the socialist bloc countries that this war be ended peacefully and without any annexations--this position and this demand have put pressure on the Gulf states. At the sixth summit which convened in Oman, the GCC was compelled to make changes in its position toward the war. These changes are reflected in the political communique issued in Muscat. However, we do not exclude the pressures put by Iran on the GCC member states to make them modify their position toward the war and to take a neutral stand in return for establishing good-neighbor relations with these states and for the agreement by some of these states to modify their position.

[Question] What is your information on the explosions that took place in Kuwait last year?

[Answer] Our party and most of the Gulf and Arab peninsula national forces denounced the wave of explosions to which Kuwait was subjected. Those explosions were aimed at the innocent fraternal Kuwaiti people and against the democratic experience of Kuwait and the rational aspects of Kuwait's foreign policy, which have had a positive impact on the struggles of the Gulf and Peninsula peoples. This is why imperialism and reaction exploit the difficult circumstances experienced by Kuwait as a result of its proximity to the war front to push their agents to perpetrate such explosions with the aim of destroying Kuwait's position which is distinguished from the position of the other GCC states. Moreover, the Iraq-Iran war has its impact on the situation in Kuwait because of Kuwait's proximity to Iraq and Iran. Irresponsible acts are perpetrated against Kuwait by elements belonging to this or that country with the aim of putting pressure on Kuwait. However, we do not exclude the possibility that elements belonging to Iraqi intelligence were behind the explosions which occurred, including the explosion to which the motorcade of the amir of Kuwait was subjected. All the explosions that have taken place in Kuwait serve the imperialist interest.

[Question] Why has Oman been a forerunner in building diplomatic relations with the Soviet Union even though it is the most reactionary Gulf state?

[Answer] The information at our disposal is that there is disagreement with the GCC. There are problems between Oman and Saudi Arabia over the borders. Moreover, there is competition between the two sides on who should play the major role in the area. This has resulted in the emergence of what seem like axes, such as the Oman-UAE axis which is sympathetic to Kuwait. Furthermore, the disagreement between the two countries on the position toward the Iraq-Iran war and the peaceful coexistence policy adopted by Democratic Yemen toward the area's states with their different political systems have had a major impact on the establishment of diplomatic relations between Muscat and Moscow. This situation has made Oman and the other GCC member states realize the necessity of establishing diplomatic relations with the Soviet Union. The policy of unilateral diplomatic relations with the Western countries is a policy that has not been validated by experience, especially since the Soviet Union, with its might, follows a foreign policy which supports the Arab peoples in their confrontation against the Zionist enemy and which especially supports the Arab Palestinian people. The peace initiatives made by the Soviet Union to transform the Gulf into a peaceful area free of imperialist military bases and the Soviet demand for putting an end to the Iraq-Iran war, which the Soviets consider detrimental to the Iraqi and Iranian peoples' interests and beneficial to the imperialist interest, are factors that made Oman establish diplomatic relations with the Soviets, with the UAE following in Oman's footsteps. But the main factor in these developments is the national and progressive movement's demand and the area peoples' desire for establishing diplomatic relations with the Soviet Union and the other socialist countries. The national forces have raised this demand and struggled for it for a long time.

[Question] Do you think that Saudi Arabia has been opposed to relations with the Soviet Union or did it give Oman the go-ahead signal?

[Answer] In the wake of announcement of relations between the Soviet Union and Oman, Prince Sultan, the Saudi minister of defense, declared that Saudi Arabia will not establish relations with the Soviet Union unless the latter changes its position toward Islam. But a week after this statement, Saudi Arabia received a slap, rather a refutation of all its lies and fabrications, by the UAE's announcement of its establishment of relations with the Soviet Union.

[Question] Are there Bahraini statements indicating the possibility of establishing relations with the Soviet Union?

[Answer] We want Prime Minister Khalifah ibn Salman and the other Bahraini officials to respect their statements. If they say that it is necessary to establish diplomatic relations with the Soviet Union, then what prevents them from doing so? We are fully confident that our Bahraini people, our party, and the other national forces that are proud of their friendship with the Soviet people and of the Soviet people's important role in supporting the Arab national liberation movement and in defending peace as the noblest issue concerning mankind are capable of establishing these relations sooner or later.

[Question] Let us return to the issue of the economic crisis and its effects on the internal conditions of the GCC member states.

[Answer] What draws attention is that the oil upsurge in the Gulf area and the Peninsula has been coupled with a large-scale reactionary-imperialist onslaught launched under the pretext of safeguarding the Gulf's security. At the outset, this onslaught hit the Omani revolution, which was led by the Popular Front for the Liberation of Oman. This was done through the shah of Iran and the Jordanian regime. Then the Bahraini National Assembly was dissolved in 1975 and blows were dealt to the national movement. In 1976, the Kuwaiti National Assembly was dissolved and the Kuwaiti national movement was contained.

The objective of this onslaught was to strike the area's revolutionary tide and to put obstacles in the face of communication with Democratic Yemen, the bright star in the Peninsula's sky. Terrorist campaigns, including oppression, arrests, and the liquidation of strugglers, and special laws were instituted in most of the Gulf and Peninsula countries. But the rope of terror is short and the peoples' struggle is more powerful.

The current economic crisis is capable of destroying the jellylike situation that has arisen and created false prosperity in the Gulf and Arab area. This offers the area's national and progressive movement new horizons to work for intensifying the crisis faced by the Gulf's reactionary regimes. Early signs of the changes that have begun are embodied in the triumph of the Kuwaiti national forces in the National Assembly elections and in the demand by the UAE's public interest associations for a permanent constitution that guarantees public liberties and for a national economic policy free of the control of the imperialist monopolies. This is in addition to the growing political role of the National Front for the Liberation of Oman and to the masses' rallying behind this front. As for our country, Bahrain, there are signs of a revival which the government is trying to obstruct through daily acts of oppression and arrest. But our party and the other parties to the national movement will dictate their demands and objectives.

[Question] What about the effects of the oil crisis beyond the Gulf area and the Arab Peninsula?

[Answer] The crisis experienced by the GCC member states has its negative impact on the reactionary regimes of the countries of the so-called crescent of crises, which begins with Pakistan, passes through Turkey, and ends with Somalia. The aid flowing to these countries and to the dictatorships in Thailand, the Philippines, and Korea through projects and through labor imported with the aim of bolstering these countries and of developing their defense and security agencies that are used against the struggles of their peoples cannot continue as in the past. This will open broad horizons for the national liberation movement in these countries. The early signs of this impact have begun to show on this crescent, whose links have begun to break up. Numayri's regime in Sudan has been eliminated and Egypt and Pakistan are experiencing numerous internal crises. On the other side, the regimes to which the Gulf reactionary regimes are hostile, such as Democratic Yemen, Ethiopia, and Afghanistan, are gaining strength.

[Question] What is the nature of your relationship with the religious tendencies in Bahrain?

[Answer] At the outset, the Iranian revolution had positive effects on the situation in our country. In the wake of the revolution's inception, the religious tendencies already existing in Bahrain and with which we cooperated during the National Assembly period gained strength. After the Iranian revolution's triumph, we extended our hand to the enlightened religious elements--especially since we agree with some of their slogans, such as the slogans of hostility to imperialism and of defense of the toilers' interests--even though they raise some slogans with which we disagree. We exert efforts to strengthen the cooperation but there are numerous obstacles which we will work to surmount in the interest of engaging in joint struggle and of achieving our people's objectives of full independence and democracy.

[Question] The security and military issue was discussed by the latest GCC meeting. What has actually been agreed on?

[Answer] Saudi Arabia submitted to the GCC member states a security treaty including a provision that permits any state to penetrate to a distance of 20 km inside the borders of another member state. Kuwait rejected this provision because the beneficiary would be Saudi Arabia. This is why agreement was reached at the Oman summit on the so-called "security strategy," which is founded on an individual and a collective basis and calls for cooperation and coordination between the security agencies in exchanging information on and pursuing the national opposition through a computerized repository. Every Gulf citizen has an identity card stored in this repository and all this is done through coordination with the imperialist intelligence agencies which supervise many of the security agencies of the Gulf states.

Militarily, the GCC member states are tied to the military strategy of U.S. imperialism and of the other NATO countries through their military presence and arms deals and through the militarization of the GCC member states and of the conditions in these states by way of the military cities. The crown princess--future rulers--are the ministers of defense in most of these states. The "strategic defense" treaty was approved at the GCC's sixth summit and steps have been taken to form the Gulf rapid deployment force and to conduct joint bilateral and collective military exercises which ultimately serve the interest of the imperialist strategy and its schemes that seek to transform the area into a bridgehead for aggression against the Soviet Union and the progressive and nationalist Arab countries, such as Democratic Yemen, Libya, and Syria, which are faced with aggression and threats from U.S. imperialism.

Therefore, the tasks facing our party, namely the Bahrain National Liberation Front, and the other national forces in Bahrain are the same tasks facing the national and progressive movement in the GCC member states: liquidating the U.S. military presence, ending the Iraq-Iran war, exposing the military and security tendency of the GCC member states and liberating the oil resources from the grip of the imperialist monopolies. In our country, Bahrain, the main task is to struggle for democracy, to restore the constitution, to defend the toilers' interests, and to strive for an independent and nonaligned foreign

policy and for establishing relations with all countries, especially with the Soviet Union and the socialist countries. Our party and the other national parties in Bahrain also struggle to put an end to the campaigns of oppression and intimidation, to end torture, to release the detainees, and to repatriate the exiled and the homeless.

[Question] Finally, how do you view the solution to the PLO's current crisis?

[Answer] The situation experienced by the PLO is difficult and complex. This situation is a consequence of the invasion of Lebanon and of the policy of the rightist faction, which has lost confidence in the possibility of overcoming hardships by relying on the masses and which has violated the national consensus by visiting Cairo, by convening the Amman congress, and by concluding the February agreement with Amman--an agreement which is tantamount to relinquishing sole representation and to ceding the independent state.

The current Palestinian situation requires unity among the Palestinian forces that oppose the Amman agreement and the capitulationist course and that cling to the resolutions of the Palestinian National Councils, especially the resolutions of the 16th session, which reflect the national consensus. This situation requires a dialogue in order to develop a joint program to restore unity to the PLO and to isolate the forces that abandon the national course. The forces rallying behind the national course enjoy the support of the Arab national liberation movement, of the Soviet Union, of the socialist countries, and of all the freedom- and peace-loving peoples.

We are confident that all Palestinian nationalists will move fast toward dialogue in order to support their people in the occupied territories who face the "iron fist" policy and the policy of job separation.

8494/12859

CSO: 4404/213

IRAQ

NATIONAL ASSEMBLY SPEAKER DISCUSSES WAR, FOREIGN RELATIONS

London AL-TADAMUN in Arabic 25 Jan 86 pp 10-11

[Interview with Sa'dun Hammadi, National Assembly speaker, by Ibrahim al-Burjawi: "Dr Sa'dun Hammadi, Iraqi National Assembly Speaker, to AL-TADAMUN: We Have No Objection to Jordanian-Syrian Rapprochement; Arabs Have Not Supported Us to Desirable Level; Saudi Arabia Refuses To Develop Its Relations with Tehran Before War Issue Is Settled"]

[Text] Baghdad-Iraq builds its relationship with the Soviet Union on a long-range strategic basis. There is now in Moscow a new and different leadership and this had dictated a summit meeting between Iraq and the Soviet Union. Moscow has decisively underlined its opposition to the use of Soviet weapons by Iran in its war with Iraq. The Iraqi-Syrian meeting ended in neither success nor failure. There were agreement and disagreement in the Iraqi-Libyan meeting and the Libyan delegation was not empowered to make any decisions. We bless what has happened between Jordan and Syria and there is nothing to affect our position of support for the PLO. The Arabs' position toward our war with Iran has not risen to the level of the Arab League charters. Iran has lost the war militarily and our objective is now to destroy its economy so that it may not continue in the war. Saudi Arabia has refused to develop its relations with Tehran before the war issue is decided.

These are the bannerlines of this important interview which Dr Sa'dun Hammadi, the Iraqi National Assembly speaker, the Socialist Arab Ba'th Party Regional Command member, and the ex-minister of foreign affairs, gave AL-TADAMUN in Baghdad. The interview was opened with the following question:

[Question] Let us begin our interview with the latest developments. What, in your opinion, are the reasons which motivated President Saddam Husayn to pay this surprise visit to Moscow? On the occasion, how are Iraqi-Soviet relations? (President Husayn was in Moscow at the time of this interview.)

[Answer] Our relations with the Soviet Union are long-range relations. They are constant, not just in the political but also in all the economic, and military spheres. The war has prevented the holding of high-level talks between the two countries and a long time has passed since a meeting was held between the Iraqi and Soviet heads of state. Because the Soviet Union now has a new leadership that is apparently like no other leadership and that is vigilant and has numerous tasks, it is beneficial and necessary for such a summit

meeting to take place in order to continue the tradition we have followed with this friendly country and to get acquainted with the new Soviet leadership. Even though I am not there, I am certain that the meeting will discuss economic, cultural, military, and political relations in their entirety and all other issues between the two countries in a manner similar to what happened in past meetings.

[Question] It is reiterated in international news reports that Soviet weapons have been found in the hands of the Iranians during the war and that the source of these weapons is either Syria or Libya. How do you interpret this in light of the Iraqi-Soviet friendship and of the good relations between Baghdad and Moscow and, subsequently, between Moscow and both Damascus and Tripoli?

[Answer] For the Iranians to be in possession of Soviet weapons coming to them from Syria and Libya is something expected and actual. We discussed the issue with Soviet officials and they assured us decisively that they are unaware of and displeased with the flow of these weapons from Syria and Libya to Iran.

[Question] What point have the efforts of the Committee To Clear the Arab Atmosphere, which emanated from the latest Casablanca summit, reached in connection with Iraqi relations with both Syria and Libya? Moreover, what is your opinion of what has been achieved by these efforts at the level of the Syrian-Jordanian reconciliation and of the impact of this reconciliation on Jordanian-Iraqi relations?

[Answer] A single meeting was held at the border at a non-political level to discuss relations with Syria. Both sides expressed their wish to discuss these relations and to find a means to normalize them. The two sides disagreed on other issues and the meeting ended in neither success nor failure. They also agreed to meet again but this meeting has not taken place yet. As for Libya, a round of talks was held in Morocco, and bilateral relations between the two countries and the complaints of one side against the other were discussed. There were close viewpoints on certain issues and other issues continue to be pending between us. The Libyan delegation stated that it was not empowered to sign what was agreed upon as a result of the talks. The meeting ended with the provision that the two sides meet again after consultations between the Libyan delegation and its government. I do not believe that there is any new development in connection with this issue. Jordanian-Syrian relations have made greater strides than Iraqi-Syrian and Iraqi-Libyan relations. We have no objection to what is developing between Jordan and Syria and we have expressed to the Jordanian government our blessing for any relationship it wishes to develop with any Arab country. I cannot ascertain what impact this relationship will have on the Syrian regime's position vis-a-vis the Iraq-Iran war but I do hope that these relations will influence the Syrian regime to reconsider its calculations regarding this war.

[Question] Lieutenant General Khayrallah, the Iraqi minister of defense, said in a press statement that the Arabs have not risen to the desirable level in their position toward Iraq in its war against the Persians. Khayrallah did not mean by these words Syria and Libya whose position he said is treasonous.

What is your opinion of this and how do you see the relationship between Iraq and the GCC member states and, consequently, between these states and Iran, particularly in the wake of the latest GCC summit and of the recent Iranian movement toward Saudi Arabia?

[Answer] We are all aware of Syria's and Libya's position toward this war. As for the others, their position has varied, though it is not devoid of cooperation with Iraq. But if you ask me if this cooperation and support have been at the desirable level, then I will definitely say no because the desirable level is the level dictated not just by the pan-Arabist relationship but also by all the Arab League charters and by the Arab joint defense treaty. Our relationship with the GCC member states is a good, firm, and fraternal relationship. The Iranian movement toward Saudi Arabia is a malicious movement encouraged by Syria's and Libya's position, which seeks to drive the GCC member states and Iraq apart. We have learned that Iran's endeavors have failed and that the Kingdom of Saudi Arabia has refused to develop bilateral relations before the question of ending the war is discussed.

[Question] Where does Iraq stand economically now and how has it been able to balance war necessities with building and construction needs?

[Answer] Iraq has gone through three phases to overcome the inconvenient economic conditions created by the war. First, it has reconsidered its development program, establishing it on sound supply bases, changing the priorities, and postponing what is not essential. This means that Iraq has rationalized its development program.

Second, throughout more than 2 years of effort, Iraq has rationalized the current state spending through a higher economic committee embodied in the Economic Operations Chamber. I wish to say on this occasion that what Iraq has achieved in this regard will be beneficial during and after the war because we have learned a lot about how to avoid waste in public spending. We will never regress from what we have learned. Iraq has been able to involve the people in the austerity measures which our people have received with patience, a sign of welcome, and a high patriotic spirit. But whether in rationalizing development or in rationalizing current spending and consumption, the country has maintained a reasonable minimum limit of development and social welfare. The third phase was to find new outlets for public resources, especially oil resources. The oil exportation pipeline via Syria has been fully dispensed with for a long time to come by creating a new outlet via the Kingdom of Saudi Arabia, by expanding the shipping capacity through Turkey, and by building a new pipeline through Turkey. These projects have begun to bear fruit and the oil export graph has begun to rise. Through these three lines of economic and financial action, Iraq has been able to overcome the circumstances emanating from the rising military expenditures and from the drop in the oil exports via Syria. I can say now without any exaggeration that our economic and financial policy has achieved almost full success. We act now on the basis that there is no financial or economic problem.

[Question] Iraqi officials have stated that the Iraqi army's objective in this phase of the war with Iran is to destroy Iran's economy. What is your evaluation of this objective and what are its motives?

[Answer] I believe that what is intended by this is to paralyze Iran's oil export capacity because Iran's oil constitutes the major part of Iran's source of foreign currency. With this foreign currency, Iran can purchase weapons and perpetuate the war. The Iranian oil industry will be the target of the Iraqi military effort and we will work with all our ability to destroy this industry and to prevent Iran from exporting its oil to the outside world if Iran fails to agree to peace negotiations to settle the problems pending between the two countries. This is normal because in war the efforts must be focused on paralyzing the enemy's strength. Our enemy's strength does not lie in his military force because the limitations of this force have become known and its weakness has been exposed. With these limitations, this force can never achieve military victory over Iraq. Therefore, Iran's capacity to continue the war emanates from its ability to export oil and not from the efficiency of its military force. This force is almost totally demolished, both materially and morally.

[Question] In the wake of the Israeli attack against Tunisia, Iraq launched a new movement, in which you played an effective role, with the aim of reuniting the Arabs and of reviving their solidarity in order to confront the ferocious Zionist onslaught. Where has this movement reached and what are the hopes you attach to it in this tense climate between the Arab regimes?

[Answer] We took several steps in this regard. Iraq protested what the United States had done in this connection by supporting Israel in its strike against PLO headquarters in Tunis and by hijacking the Egyptian airliner. We also agreed to hold meetings in response to the appeals of the Commendable Efforts Committee. We held meetings with Saudi Arabia and Libya and acted positively. We always seek to normalize the relations and to unite the Arab ranks. Our assembly also invited the Arab parliaments to embark on collective Arab action and protest. The meeting was held in Baghdad and proved a success. We move on the basis of taking a positive stance toward all the well-meaning and sincere Arab initiatives in this regard.

[Question] Are Iraq's relations with the PLO influenced by the deterioration afflicting the PLO's relations with Jordan?

[Answer] No. Our support for the PLO is constant and has not changed because the PLO is a legitimate organization struggling for the Palestinians' rights. I do not think that our relations or the relations of any other Arab country with the PLO should be influenced. The PLO must stay clear of Arab bilateral relations.

[Question] What is the position of the National Assembly you head in the Iraqi regime, what are this assembly's tasks, and how are its members selected?

[Answer] The Iraqi National Assembly participates with the Revolution Command Council in the legislation process. We have our special system. At the outset of the revolution, we had a single authority concerned with legislation, namely the Revolution Command Council. The foundation of the assembly then came as a step in its forward development and we now have the National Assembly as another legislative body next to the Revolution Command Council.

The two authorities are now engaged in legislation. The president sends the draft laws to the two authorities and we discuss what is referred to us by the president for legislation in accordance with the constitution and the bylaws.

The National Assembly members are elected on the basis of 1 representative for every 50,000 citizens. The assembly is comprised of 250 Iraqi representatives selected through elections in which 750 candidates ran. These elections are free and are conducted in direct secret balloting. The current session is the second session and the first session convened 4 years ago. The assembly includes Ba'thists and independents. Any citizen can run for election, provided that he is an Iraqi citizen who can read and write. Anybody over 18 years of age can vote. The current assembly includes 33 women. All the leaders of the popular organizations were elected members. The members' educational level is high. Out of 250 members, 119 members are university graduates. The assembly also includes a considerable number of members with Ph.D. degrees and university professors. The assembly has eight permanent committees and it meets twice a year to examine the bills prepared by the committees and to make its decision on these bills, either yea or nay.

[Question] If we backtrack to the days of your studies at the American University of Beirut, what does the news of the closing of Faysal Restaurant mean to you?

[Answer] It is truly regrettable. This restaurant was the meeting place of Arab youth and the focal point of the meeting was pan-Arabist feeling and Arab unity. It was a social and a cultural site at the same time. I have emotional feelings for that place because I spent 4 years there and it is there that I became acquainted with a large number of people who are now prominent in the Arab homeland. The closing of this restaurant has, regrettably, coincided with the decline of the current of Arab unity and of pan-Arabism in Lebanon and with the rise of sectarianism. An Arab magazine made an analogy on the occasion between the struggle for Arab unity and the emergence of the ideas of partitioning Lebanon into cantons. I regret this news, which I heard recently, and it pains me deeply. I hope that the time will come when conditions in Lebanon will return to what they should be.

8494/12859
CSO: 4404/216

JORDAN

NEW ELECTION LAW REDISTRIBUTES ASSEMBLY SEATS

London AL-TADAMUN in Arabic 18 Jan 86 p 22

[Article by Khalid Mahadin]

[Text] Over a period of more than 10 hours, the Jordanian cabinet debated the new election law bill for 1986, and gave its approval to the bill as a preliminary step towards presenting it to the National Assembly (the Senate and Representatives) to be debated and passed before sending it up to the throne to be issued as a royal decree, after which the bill would become effective law.

Before talking about the new bill, the background to its being drafted, and the motives behind its being passed at this stage, it might be useful if we were to review what the situation now is in relation to parliamentary life in Jordan. In this respect we will point out that the last general parliamentary elections that took place in Jordan on both its banks, East and West, were in 1966, and even though the law decrees a term of 4 years for each parliament, the events of the 1967 setback caused some changes which were covered by constitutional measures. After its constitutional term ended in 1970, the elected assembly was extended, and in 1974, after the resolution of the Rabat summit was issued which considered the PLO as the sole legitimate representative of the Palestinian people, the parliament was given what might be considered an "open recess," which the executive power continued to govern and administer the affairs of the country in the absence of elected representatives, in other words, the government alone took over both the legislative and executive powers, and all the laws that it enacted were considered to be temporary laws which would be made permanent after the resumption of parliamentary life. Under these unnatural and indeed unconstitutional circumstances the government saw that a possible solution, in light of the extraordinary circumstances, lay in forming a national consultative council whose members would be appointed and which would be given the task of passing temporary laws, until what had come to be known as the extraordinary circumstances came to an end. These extraordinary circumstances, to be precise, are the occupation of the West Bank and the impossibility of holding representative elections which included all of the kingdom's governorates on both its banks. The experiment was successful, for 75 Jordanian personalities were appointed, including natives of both banks of numerous political and intellectual tendencies, and a 2-year term was set for

each national consultative council. Observers who have followed the workings and debates of the national consultative council do not doubt the councils' esteem for and adherence to the spirit of democracy that these councils and the governments which have dealt with them have shown, rather these observers go further than that in their appraisal and appreciation, especially after the Jordanian parliament which had been elected in 1966 was asked to resume its activity. But it became clear that the 18 years that had passed in Jordan and left their economic, social, political, and intellectual marks throughout Jordanian life had created a deep and wide gulf between the members of the present assembly and their ability to represent the people.

The present parliament was called upon to resume its activity in 1984. At the time the government affirmed that it had to call its because the extraordinary and difficult circumstances (the Israeli occupation of the West Bank) still existed, and therefore it would also be difficult to wait any longer because the deaths of several more deputies from the two banks, in addition to those who had already died, might cause the loss of the legal quorum. Thus the parliament was called, and a constitutional way was found of filling the seats made vacant by death, whereby by-elections would be held on the East Bank, and the parliament would choose representatives from the electoral districts whose representatives had died and which were on the West Bank. That is what happened. The vacant seats in Amman, al-Salt, al-Karak, Irbid and al-Tufaylah (the East Bank) were filled by means of by-elections in which eight deputies were elected. Through a direct election by its members, the parliament also filled the vacant seats on the West Bank, and throughout the term, which so far has been about 2 years, this basis has been used in matters relating to West Bank deputies whose seats have become vacant because of death. Last month the first East Bank deputy died, but it has not yet been decided how the government will go about filling his seat, since there have begun to appear around the Jordanian capital alternative interpretations of what is meant by extraordinary circumstances, in that they go beyond the Israeli occupation of the West Bank to include the possibility of filling any vacancies in East Bank seats through direct elections by members of parliament and not through direct popular elections. It seems that the Jordanian cabinet's issuance of a bill for a new election law, the expected passage of this bill by the National Assembly, and its issuance as a royal decree for holding new elections is what allowed these interpretations to rise to the surface. But many think it unlikely that the government will resort to an alternative to direct elections, since it is agreed and understood that the sole interpretation of extraordinary circumstances is the occupation, and nothing else.

But it is important for us to point out here that the present parliament's being called to resume its activity came after a recess that had lasted since 1974 (or 10 years), and the call came after the PLO had left Lebanon. Even though some tried to connect the two matters and give an alternative interpretation to what the government intended, the PLO announced at the time that it had received assurances about the background to this call. But those same people again raised many questions about the new election law bill, especially since the Jordanian bill was drafted as law for the two banks, and it distributes parliamentary seats equally between Jordanians and Palestinians;

in fact, for the first time it gives Palestinian camps in Jordan the right to have electoral districts in which parliamentary representatives would be elected; in other words, the new bill considers the Jordanian (candidate or voter) as a single entity divided among Jordanians (the East Bank) and Palestinians (the West Bank) and the camps. While the present parliament consists of 60 deputies with its seats divided equally between the banks, the next parliament, which will be chosen according to the new law, will consist of 130 deputies distributed in the following manner:

The East Bank, 66 deputies.

The West Bank, 55 deputies.

The Palestinian camps in Jordan, 9 deputies.

Eighteen deputies have been allotted to the Capital governorate (15 Jordanian and 3 from the al-Wahdat, al-Husayn and al-Talibiyah camps); 24 to the Jerusalem governorate and to the Irbid governorate 20 (17 Jordanian and 3 deputies from the Irbid, al-Hisn, Jarash and Suf camps); to the Nabulus governorate 22, the Hebron governorate 9, and the al-Balqa' governorate 8 (7 Jordanian and 1 deputy from the al-Buq'ah camp); to the al-Zarqa' and Hittin camps); to the governorate of al-Mafraq 2 deputies, the governorate of al-Tufaylah 3 deputies, and the Beouins in the North, South and Central regions will have 6 deputies so that there will be 2 deputies for each region. According to the new law, Muslims on the two banks will get 112 seats, including 3 seats for Circassians and the Shishan, while Christians will get 18 seats.

AL-TADAMUN tried to pick up echoes from the drafting of the new bill whether in Jordanian circles or Palestinian ones, but it was not able to. The drafting of the bill has been surrounded by much secrecy, and it was passed in the Jordanian cabinet after two sessions that lasted 10 hours. When the bill got to the newspapers, they were given the bare facts, without it being published or debated, either during this stage or during its debate in the House of Representatives and the Senate. It does not seem at this time that Palestinian circles are ready to give their views; moreover, Jordanian-Palestinian relations have come under a shadow with the operation to clear the air between Amman and Damascus, and even the visit that Mr Yasir 'Arafat had been scheduled to make to the Jordanian capital was postponed before Mr 'Abd-al-Ra'uf al-Kasm arrived in Jordan. After the Jordanian-Syrian talks at the level of the prime ministers of the two countries and at the level of King Husayn and President Hafiz al-Asad had ended, it became clear that Mr 'Arafat was no longer eager to make a visit now. AL-TADAMUN has learned that the invitation carried by Mr 'Abd-al-Wahhab al-Majali, deputy prime minister of Jordan, to the PLO chairman in Tunis did not change anything. "Abu 'Ammar" flew to Algiers and from there to Baghdad, and during the first week of this month there was a certainty in the Jordanian capital that Mr 'Arafat would arrive at any moment, but this certainly quickly faded after it was announced that King Husayn had left for a private visit to Britain.

The bill of the new Jordanian election law again brings up the big question concerning the Rabat summit resolution. The PLO, with unanimous international and Arab agreement, sees itself as the sole legitimate representative of the Palestinian people, and these people have their own National Council. So can the new Jordanian law be considered a violation of this resolution, and of the PLO's right to sole, legitimate representation?

12547/9435

CSO: 4404/227

JORDAN

BUDGET ATTEMPTS TO SERVE GROWING POPULATION

London AL-MAJALLAH in Arabic 18 Jan 86 pp 35, 36

[Text] Many observers of the new Jordanian budget were surprised, since it has been expanded at a time when government revenues have begun to feel the effect of the economic recession caused by the drop in oil revenues in the Gulf states which are host to hundreds of thousands of Jordanians.

But increasing expenditures is something which cannot be avoided, first to revive economic activity, and secondly to speed up the rate of development, especially the development of growing food, in order to meet the large increase in the population. It has been principally noted that the Jordanian government, just before working on the new budget for 1986, took a number of steps described as being made to rectify the economic course, such as making reforms in the situations of many companies and public utilities. The current government, headed by Zayd al-Rifa'i, also leans towards giving more responsibility to the private sector instead of expanding the public sector, which in spite of its efficiency still has a lower performance level than that of the private sector. Here are some of the features and premises of the new budget:

Government expenditure for the new budget is 923 million Jordanian dinars (a dinar equals \$2.70), or an increase of 16 percent over the expenditures of the old budget, which were about 775 million dinars. This budget includes regular expenditures in addition to investment expenditures.

The Jordanian government expects that its total income, including foreign aid, will be 886 million dinars, in other words a deficit of around 37 million dinars, or the equivalent of 2 percent of the domestic product. Jordanian bankers agree that such a deficit does not constitute a threat in view of its tiny portion of the national product and its reasonableness with respect to overall economic performance.

However, these figures might be subject to broad changes. Treasury income depends heavily on foreign aid, estimated to be 253 million dinars, but all the signs point to a determination by the rich Arab states to reduce their allotments to Jordan, because of restraints on giving, especially since a drop in oil export revenues is expected because of a drop in prices without the ability to increase export quantities. Thus the Jordanian government might

increase its domestic and foreign loans to cover any revenue shortfall resulting from a drop in Arab and foreign aid.

In the new Jordanian budget there is a distinct improvement in revenues, since it is expected that fees and taxes will cover 88.2 percent of public expenditures instead of 80 percent, as had been the case in the previous year's budget. The credit for that increase goes to tax increases which included a number of sectors.

The budget's total local income will reach 498 million dinars, to which is added an amount of 40 million dinars carried over from last year's budget, to total 58 percent of all public expenditures.

Most of the Arab and foreign aid, which is expected to reach 253 million dinars, will go towards investment in public projects.

Nevertheless, the budget is characterized by austerity. That is because most of the allotments for items of expenditure were not increased over those of last year. What was increased was financial support for the producing sectors, foremost of which is agriculture.

The Jordanian government's increased concern for the agricultural sector this year reflects its anxiety over the fall in the degree of food security resulting from a number of factors. Foremost of these is Jordanian youth leaving to work abroad, the drop in the farmer's income from agriculture because of price setting for his products, and the large increase in population. So that the Jordanian government may lower the food bill, it will implement a number of agricultural projects, including the al-Zarqa' basin project and projects to irrigate wheat acreages, increase animal fodder production, and survey all agricultural lands. It has also taken a number of steps to encourage people to work in agriculture, including the abolishment of the system of pricing crops, which has proven to be the best way to ruin agriculture and turn green areas into desert, and to allow crop prices to follow the law of supply and demand. Other measures include exempting farmers who are paying back agricultural loans from a portion of their taxes, and establishing an incentive price for wheat at twice its world price.

What also disturbs the Jordanian government is the huge deficit in the balance of trade, which in turn affects the balance of payments. Therefore it raised customs duties on non-essential luxury goods, and it intensified its efforts to exploit the oil discovered in small but economically feasible quantities in the Hamzah field, increasing exploratory operations which have detected encouraging signs. It appears obvious that the government is working hard to find local alternatives to imported oil in order to reduce as much as possible its oil imports, which were about 400 million Jordanian dinars.

Measures to raise customs duties have brought about a halt to the growth in imports and a 10 percent increase in exports last September, something which has caused optimism concerning the possibility of placing a limit on the rapid growth in imports.

The Jordanian government is making increased efforts to revitalize the financial market. To this end it intends to set up an establishment especially for brokers and middlemen and a company for investment financing, and it might take technical measures to turn bank loans into investment loans.

Finally, 60 percent of the gross domestic product is realized through government spending, and here economics experts call for expanding and diversifying the economic base, and in particular to direct investment towards the producing sectors, so that economic activity will not remain tied to government spending to such an extent. It should be mentioned that the new economic development plan will operate according to this concept.

12547/9435
CSO: 4404/227

LEBANON

BA'ATH PARTY CHIEF SEES NECESSITY OF ARMED STRUGGLE

Beirut MONDAY MORNING in English 17-23 Feb 86 pp 24-27

[Article by Nadim Abou-Ghannam]

[Text]

The tripartite accord brokered by Syria has not been implemented, and many officials even announced its failure. In view of this situation, what policy will Syria adopt and what alternatives if any are available?

I do not think that the tripartite accord has failed. But to be realistic, it is more accurate to say that its application was obstructed by a number of parties opposed to it. These were the U.S. at the international level, Israel on the regional scene and locally through an alliance between the Phalangist Party and Amin Gemayel on the one hand, and Samir Geagea on the other.

As regarding the policy Syria may adopt, it is clear that Syria has not yet blocked political channels as a means of applying the tripartite accord. However, this does not mean that Syria would accept the introduction of any amendments to the provisions of the accord. Syria insists on the application of all provisions, especially those dealing with the abolition of political sectarianism.

As for the alternatives that Syria might consider in case all political alternatives are blocked. I personally do not believe that the current political talks would lead to any positive results. My conviction stems from the Gemayel-Geagea alliance's complete rejection of the accord. Syria is currently discussing all possible alternatives and is leaving the scene open for a variety of options. However, given the prevailing situation, I would say that the Lebanese national forces see no alternative other than a military confrontation with Amin Gemayel and Geagea's group. We are currently discussing this option with Syria and I believe that we have made great progress in this respect.

In view of the prevailing status quo, all political solutions seem remote. Do you expect a solution to emerge through a military confrontation? And how does Syria regard this option?

There is no need to emphasize further that Amin Gemayel's current political moves, besides thwarting efforts at a political solution that were initiated by a number of important officials in East Beirut, are all steps that aim at blocking all political dialogue. Hence, a military confrontation to end the prevailing situation appears to be necessary.

How would you evaluate the relations between the Amal Movement and the Communist Party? And how can the two be reconciled?

There is no disagreement at the strategic level between Amal and the Communist Party, or to this effect between Amal and any of the members of the national front in Lebanon. They all pursue the same ends and are committed to the principles dictated by the national interest. They all want to find a solution to the Lebanese problem within a context based on the principles of liberation, unity and democratic change.

However, misunderstandings do sometimes develop between members of the national front leading to minor conflicts. Such conflicts usually emerge because some members do not weigh the consequences of their practices. The Amal Movement discussed this subject in its last communique. This leaves us with the possibility to deter such activities and prevent their recurrence.

In this respect I would like to emphasize the Lebanese Baath Party's attitude on the need to respect the principles of democratic political action and abide by the limits dictated by the presence of a variety of political and ideological trends. All this falls within the context of efforts of the Lebanese national progressive forces to apply the principles of national change and the liberation of the homeland from Israel and its agents.

How would you comment on reports indicating that the Syrians have set mid February as the deadline for a political solution to the current crisis, the failure of which will lead to the adoption of the military option?

Syria has not set any deadline. However, it favors a quick solution to the current crisis. But on their part, the national forces have already decided on the military option. I have already pointed out that my colleagues and I are currently discussing this issue with the Syrian leadership.

What are the real dimensions of the appeal that Chief-of-Staff Brigadier Abu-Dargham made? Can this be considered a preliminary step that may eventually lead the army to seize political power?

We support Brigadier's Abu Dargham's appeal and believe it was necessary. In the short and long run, this call represents a basic turning-point in the army's attitude to the struggle on the ground. We do not want the army to be the armed militia of this or that party, as the case is now. The army appears to be the weakest of all militias. We hope to change a specific reality within the institution of the army. We

do not want the army to take part in the sectarian war. We basically want to train and develop the army on sound national and patriotic principles. We want the army officers of East Beirut to adopt the same initiative adopted by the army officers of our national areas and to neutralize the role of the army in the current conflict.

As regarding the subject of the army seizing political power, I believe that it is not possible for such a development to occur in a country like Lebanon, based on political pluralism. The negation of such a possibility is further reinforced by the involvement of the army in the sectarian game.

Minister Berri declared that if the situation deteriorated any further and fighting was to erupt on a large scale, the "red lines" would be bypassed. De you agree with him?

I agree with Minister Berri. However, if fighting does erupt on a larger scale, it should by no means lead to the emergence of new red lines. A battle against forces opposed to the tripartite accord in East Beirut should bypass all red lines and create new «givens» that would eventually allow for the application of the accord. As to when such a confrontation will happen, the matter, as I have indicated, is still under discussion.

There are reports of a flow of arms to the Palestinian camps. Does this mean that a new camp war is coming up?

I believe there are preparations in the camps themselves to instigate a war. I also think that Yasser Arafat and forces supporting him are the ones plotting for a new camp war. I would even go further to say that the eruption of such a war would be the result of an Israeli decision and through a coordination with Gemayel. The aim of such a war would be to confuse the national front and divert it from the intended military confrontation.

Political sources recently indicated that the visit of the Jordanian prime minister to Damascus on February 9 aimed at a reconciliation between the PLO and Syrian officials. How would you comment on this?

The attitude of the Syrians towards Arafat's policies is very clear. But we should distinguish between the PLO as the sole legitimate representative of the Palestinians, and Arafat's policies. The status of the PLO cannot be reduced to Arafat's point of view. The political attitudes of major political factions in the PLO were disregarded and cancelled simply because they did not accept Arafat's defeatist political bargains.

However, the visit of the Jordanian prime minister to Syria went beyond the discussion of Palestinian Syrian relations. The visit was concerned with the coordination of Arab efforts in an attempt to crystallize a joint national strategy based on the principle of maintaining a minimum level of Arab solidarity in the confrontation with Israel and the American administration's conspiracies in the region.

Do you think military battles will recur in East Beirut?

The prevailing political situation in East Beirut does not negate the possibility of future violent clashes. Political Maronitism failed to come up with a political negotiator capable of conducting a rational dialogue and presenting a serious alternative to the tripartite accord. Otherwise, how can we explain the confusion in the attitudes of the parties who conducted the violent coup against the tripartite accord in East Beirut? This is unless we assume that the cause of this confusion is their fear to indulge in dialogue, whether individually or collectively, with the national forces and Syria in a context other than that produced by the recent incidents in East Beirut. The same parties also are unable to decide on future steps at a time when a number of officials in East Beirut have expressed a willingness to negotiate with Syria.

All this points in the direction of an attempt to delay taking the unavoidable decision and further hindering the possibility of finding a solution to the problem of Christian representation through encouraging other military operations in hope that they would produce an acceptable political negotiator in East Beirut.

How could you comment on the communique which emerged from the Bkirki conference?

The communique in general opens the possibility for a serious dialogue. That is of course if the will to reach a national solution is demonstrated through concrete actions. Such a solution must be compatible with the sacrifices the Lebanese people have made for liberation and progress. They must also bypass the negative aspects of the 1943 national pact. However, the problem will persist if Bkirki fails to develop the general principles embodied in the communique into an applicable plan. The intensity of the problem will also increase if the national option is sacrificed for personal interests. Hence, if Bkirki commits itself to the defense of the president of the republic at all cost, then the basis of a solution will be seriously jeopardized because such a commitment will prolong the crisis and will create an atmosphere of tension among the different parties. Consequently, the legitimacy of the regime does not depend on the head of this regime.

However, the principles emerging from the Bkirki conference should not let us disregard a basic fact related to the forces controlling the military scene in East Beirut and whether they would permit Bkirki to play any significant role at all. This was clearly revealed through the pressures that the Phalangist Party-Geagea-Gemayel alliance exerted to deter the activities of Bkirki and the independent Maronite Bloc. Hence opponents of the tripartite accord in East Beirut are unwilling to grant moderate Christians a wide context of maneuver and political expression.

What was the result of the talks the Independent Maronite deputies held with Syrian officials ?

Given the intense political contradictions present on the Lebanese scene, there are no specific details I would like to elaborate upon. These contradictions differ from news propagated in the mass media, and which generally emphasize the need to bypass the atmosphere of tension present between the national forces and the president of the republic.

The dialogue with the Independent Maronite deputies depends on a number of factors. Most important among them is the need to apply the tripartite accord which represents the framework of a national solution. However, communication channels remain open with any faction that separates the amendment of the tripartite accord from the need for Gemayel to remain in power.

The current situation should make all Lebanese realize the failure of Amin Gemayel's methods and his direct responsibility for discarding a valuable opportunity to end the civil war. ●

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LEBANON

POLITICIANS COMMENT ON ABU DARGHAM APPEAL

Beirut CENTRAL NEWS AGENCY in English 8 Feb 86 pp 14-16

[Text] CNA--There have been many comments and remarks in political and diplomatic quarters on General Abu-Dargham's appeal yesterday.

As one diplomat put it "the least that can be said about it is that it forecasts war," because when someone as important as the Army Chief of Staff suddenly summons high-ranking officers for a special meeting then comes up with a call to all Army personnel to "stay out of civil warfare" (at a time there is no civil warfare, as a matter of fact) the least anyone can expect now is that warfare may break out.

It was also noted that some of the Army officers who attended the meeting and backed Abu-Dargham's appeal are known to have connections (allegiance, more precisely) with a number of Lebanese "leaderships," including former president Sleiman Franjiyeh. It would be interesting to note here that the Zghorta maronite leader was the first man to hint to the possibility of an Army initiative of some kind with respect to forcing President Gemayel to resign. That was a few weeks ago at his weekly news conference when someone asked him what kind of "legal ways" were there to move the President out of the Presidency, and he replied: the Army has certainly a role to play in this connection.

When Franjiyeh made this statement he had just returned from Damascus and putting 2 and 2 together may drive anyone to the conclusion that the possibility of an Army movement to oust President Gemayel may have been included among the various "peaceful" means envisaged to reach that goal.

But it seems that Abu-Dargham's appeal was only the seed that remains to be cultivated and to blossom into a concrete result, if an Army "coup" must remain bloodless and obtain the President's resignation without a single shot being fired.

According to a western diplomat, all now seems to depend on what exactly Army commander Michel Aoun intends to do about the call because if he backs it, all christian brigades are expected to follow. Otherwise, the Army's present de facto division (which exists since February 6, 1984)

is likely to be dedicated, inter-faction warfare is most likely expected to resume and it is most likely to be even more fierce and disastrously destructive than ever before if it were only for the important military potential of the Army this time being used on both sides.

The choice is certainly a hard one for any Army command. For one thing, the Army commander is committed to defending the Legal Authority and President Amin Gemayel just happens to be the incarnation of that authority which makes it imperative for him to defend the president and the least he is expected to do in this respect is to abide by the President's determination to remain in office.

But if the alternative to Aoun's decision to side by the Legal Authority must be a new particularly rough round of fighting then the General should logically have second thoughts about his decision, the diplomat added.

One political source in east Beirut described yesterday's appeal as "a cunningly smart move" on the part of the Syrians who "seem to have found an excellent substitute for their direct involvement in any inter-faction warfare" as the source put it.

According to the source there may be very little doubt that the call made yesterday by the Army Chief of Staff was aimed only at paving the way for a forthcoming military round "this time without any red lines involved," unless of course the implications behind the move were clearly assessed by the Army Command and that the Army (christian maronite) commander decided to avert the disaster by joining into a united Army call demanding the President's resignation.

But reliable observers say that General Aoun is not the only one to decide and that he must, anyway, take into consideration the views and feelings of other high-ranking christian officers most of whom consider the present fight as their own and the battle for the defense of the Presidency as a battle for the defense of what they view as "the last outpost of christian influence in Lebanon."

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LEBANON

DANY SHAM'UN HOPEFUL ON NATIONAL CONSENSUS

Beirut CENTRAL NEWS AGENCY in English 12 Feb 86 pp 17-24

[Text] CNA--The chairman of the National-Liberal Party, Dany Chamoun, predicted the early settlement of the Lebanese crisis on the basis of a national consensus. He said he had "local indications coinciding with regional indications" in this respect.

In an exclusive interview with the Kuwaiti newspaper AL-QABAS, Chamoun severely criticized Syria whom he accused of resorting to military pressure to complicate the Lebanese crisis. He also blamed Israel of trying to undermine Lebanon's sovereignty in the South.

Chamoun also criticized all those who are boycotting President Gemayel considering that they were actually "boycotting the people, being themselves responsible for the people's tragedy." He also rejected the idea of the President's downfall by force or under military pressure and said that the President's resignation "is something for the majority to decide."

Following is the almost full text of the interview:

Q.-How do you see the future through the present crisis in Lebanon?

A.-Lebanon will soon emerge from the crisis and will be unified on the basis of a national consensus.

Q.-Are there any indications available to support your optimism?

A.-There are such indications at local level and they happen to coincide with corresponding indications at regional and international level.

Q.-But there are now considerable differences on the Lebanese scene. What is the factor which is going to unite the Lebanese?

A.-First of all we never ceased to believe that the solution in Lebanon will be all-Lebanese or will not be at all. Then I think that foreign media have considerably distorted the picture. There is standstill at military level and a strong desire to end the fighting. There isn't any real fighting now and these active fronts are more quiet than hot after the shellings that took place under Syrian pressure.

What happened on the Dwar-Bickfaya front was expected taken Syria's constant reaction whenever there is a Lebanese attempt to express independence and freedom.

The thing that makes me optimistic now is that despite Syria's pressure upon them Lebanese sides refuse to resort to violence and terrorism and this is indeed an indication that leads to optimism.

Q.-What about the military escalation supporting the demand for President Gemayel's resignation?

A.-Such means had already been used before, back in 1975 against the then president Sleiman Franjiyeh and afterwards on President Elias Sarkis, but I think the time has come for Syria to realize that the Lebanese people will not yield to such terrorism.

Q.-Does that mean that the President will not resign?

A.-This is something for the Lebanese people to decide. If the majority demands his resignation, then the will of the majority will have to be respected. But there will be no such thing under pressure.

Q.-Do you think military pressure can be exerted?

A.-It is being exerted already. What do you think the sniping and shelling on the various axes means? And there is a lot of talk about military preparations, mobilization, states of alert and so on in all areas under Syrian control. Isn't all this the prelude to military pressure?

Q.-What will become of the Tripartite Accord?

A.-It was born dead. It therefore has no future. This accord undermined bilateral relations between Lebanon and Syria because the warring factions who signed it tried to impose it by force. The only positive thing about the Accord is that it displayed a desire to end the war and this was welcomed by all Lebanese. What is unacceptable is Syria's condition that national accord and the end of the war can be achieved only in return for full hegemony as indicated through the dispositions of the document.

Q.-It is being said that whoever rejects the Accord rejects the "Arab option" as well.

A.-This is not true. We have proclaimed and adopted the Arab option at the Geneva and Lausanne conferences and even in the ministerial declaration and we, as National-Liberal Party, have gone as far as including this option in our own partisan doctrine. But we refuse to have our Arab identity measured through our relations with Syria.

Q.-Is it true that the rejection of the Tripartite Accord falls within the context of sophisticated calculations related to the prevailing conditions at regional level?

A.-I had several meetings with the American ambassador and never has he asked us to reject the Accord. On the contrary every time he used to say: You Lebanese must come to terms. He even used to ask us why we were rejecting the Tripartite Accord, and we used to explain him the reasons for that.

I also had meetings with diplomats from the Soviet Embassy and they too expressed hope that a Lebanese consensus may be achieved and they offered to help in any way they can. And again we explained the reasons why we opposed the Accord.

Q.-It is being said that the Tripartite Accord was rejected under U.S. advice in retaliation for the abrogation of the May 17 Accord.

A.-The Tripartite Accord is one thing and the May 17 Accord is another and I never felt there was any link between them nor have I ever felt any American hostility to the Tripartite Accord. Besides, we had also raised objections to the May 17 Accord especially with regards to the items that undermined national independence, sovereignty and dignity.

Q.-The Tripartite Accord does allow the stationing of Syrian troops in Lebanese strategic areas, does it not?

A.-Yes it does and this is what bothers us in this document all the more that the President has sent a written letter to Syrian president Assad in 1982 asking him to withdraw all Syrian troops from Lebanon. Similar letters were also sent to the League of Arab States and to Arab heads of State emphasizing that the presence in Lebanon of Syrian troops was illegal. Simultaneously Lebanon had submitted several complaints to the United Nations Security Council against the presence of the Israeli Army in the South. We tried to settle the problem of the Syrian armed presence within the framework of the Arab League and the problem of the Israeli armed presence within the framework of the United Nations.

There had been attempts of reaching agreement with Israel to secure the withdrawal of Israeli troops from Lebanon but Syrian pressure defeated them.

There are now complaints at the United Nations against Israel. We are doing what we can. What else can we do? Our armed forces are limited and divided and Syrian pressure cripples all contacts with Israel to settle border issues.

It is very important for us to file complaints at the United Nations because the Lebanese border is the only Arab border with Israel which is internationally recognized and we are certainly dissatisfied with Israel's behaviours in the borderline area and we demand that Israel respects this border and withdraws its forces as soon as possible and it is up to the World Body to impose such withdrawal because Lebanon is neither capable of confronting this situation or able to accept it.

Now since you have raised the question of the May 17 Accord may I remind you that under this agreement Israel would have given up portions of Lebanese territory it had occupied back in 1948 and annexed ever since, but again there was interference and the Accord had to be abrogated and the result was that Israel extended its occupation instead.

Q.-Do you believe Israel is still striving to bring about partition in Lebanon?

A.-We do not know the sides involved in the partition scheme. To my opinion, whoever tries to weaken the State Authority, whoever tries to disperse the Lebanese people, to create militias in Lebanon, is contributing one way or another to making the partition scheme come true.

Q.-Is there a christian unified decision in Lebanon?

A.-By all means there is and more than ever before. There is also a common approach in connection with the future of christians in Lebanon.

Q.-But there are differences between christian leaders?

A.-There are no differences with respect to constant principles.

Q.-Take the President. Some christians want him to resign while others want him to remain in office.

A.-The President's resignation is a political demand and this has nothing to do with principles.

Q.-There are also divisions with respect to the Tripartite Accord.

A.-There is no single faction or community in Lebanon that supported the Accord unreservedly and no political group had approved the Accord under its original form. All sides have expressed reservations and asked for amendments to be brought in.

Q.-If you were asked to settle the crisis what would you do?

A.-When I'm asked to settle the crisis I'll tell you how. Anyway, constitutional institutions must move and it is necessary for the Assembly to perform its role, and this goes for the Government too. There can be no solution to the Lebanese crisis except through constitutional institutions.

Q.-How can you do this with the Legal Authority being boycotted?

A.-We should be able to stand up like men through our constitutional institutions like we did when we rejected the Tripartite Accord. We must be able to say: this is the kind of system we want and we intend to have it.

Q.-But what about the boycott?

A.-Who is boycotting who anyway? It is the people who pay the price and this is why those who are boycotting the people must put an end to their boycott. They are responsible for the consequences of their boycott, they have money and they don't care, but complications resulting from their behaviour is detrimental only to the people.

Q.-This may be true, but what about solutions?

A.-To my opinion, if all doors are closed in the President's face he may always take action under the Constitution and use his prerogatives to settle the crisis.

Q.-You mean revoke the Government?

A.-If the government lacks unity and cannot be united it must go. But I don't think this is the case because the government is in fact united and the boycott is not a serious thing and again I must emphasize that the boycott harms only the people.

Syria is not concerned over the welfare of the Lebanese people because if she really was she would have ended the crisis by refraining from supplying arms to the various Lebanese factions and would have adopted a different approach in handling the Lebanese case, an approach based on dealing with the Lebanese legal institutions.

Take Tripoli for example. Now that the Syrians have invaded the city by their own will, why don't they hand over security to the Lebanese Army if they really want to sustain the Lebanese Legal authority and support the Army's role? Why don't the Syrians hand over the port of Tripoli to the Lebanese State authority instead of letting certain factions use it for their own benefit?

Q.-Do you think Syria has ambitions in Lebanon?

A.-What do you think this interview is all about? It's been one hour that I'm talking about Syrian ambitions in Lebanon.

Q.-How would you describe your relations with Walid Jumblatt?

A.-Excellent.

Q.-And with Nabih Berri?

A.-I don't know him well. The last time I saw him was at the airport and we just said hello to each other.

Q.-And with the Lebanese Forces?

A.-More than excellent.

Q.-Did you visit Israel lately?

A.-I certainly did not and all reports carried by silly newspapers in this respect are false. When I go anywhere I do it openly and if I have any reason for going anywhere secretly I simply refrain from going. Besides, everyone knows that my last trip was to Paris.

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LEBANON

ISLAMIC GATHERING EXPRESSES RESERVATIONS ON TRIPARTITE ACCORD

Beirut CENTRAL NEWS AGENCY in English 13 Feb 86 pp 14-16

[Text] CNA--The very carefully worded statement released yesterday by the "Islamic Gathering" confirms earlier reports about the sunni moslem traditional leaderships in west Beirut (at least) having reservations about certain dispositions contained in the controversial inter-faction Tripartite Accord.

The statement also proves that Syrian President Assad and vice-president Khaddam were both unable to talk the "Sunni Political-Religious Club" into joining forces with either the supporters of the Accord or, at least, the petitioners for the President's resignation.

Obviously, the Sunnis could hardly have supported the Accord or seconded the calls for cutting short the head of State's term in office for even if they had chosen the second attitude just to please the Syrians they would have actually contributed in creating the required objective conditions for the implementation of the Tripartite Accord, and this is in fact the real reason why they didn't. It was certainly not out of sympathy for the President or for attachment to him as a person that they refrained from demanding his resignation but only because his remaining in office does constitute the last obstacle standing in the way of the Accord's implementation.

There are also regional considerations involved with regards to the Gathering's attitude. There are historical and traditional bonds between Lebanese sunni moslems and most Arab regimes and the upsurge of militant shiite influence in the Middle East and especially in the Gulf as a result of the growing Iranian influence, turned the sunni moslem community in Lebanon into an embattled sect with feelings of danger almost as acute as those of the christians. Both sunni moslems and christians fear they might become "second-rate citizens" in any new-look Lebanon based on a "deconfessionalization" formula.

Fears of this kind within Sunni moslem political and religious circles gained momentum over the past two years, more precisely since west Beirut, a traditional sunni bastion, fell under the control of allied shiite and druze militias on February 6, 1984. And sunni-shiite rivalries developed

into bloody clashes ever since, but the shiites won all battles with Syrian backing and this contributed in driving the sunnis into an attitude even more cautious than they had already had.

The visit to Damascus by a sunni delegation coincided with an all-out Iranian offensive against Iraq which is described by many observers as "the most important" ever since the outbreak of the Gulf war nearly five years ago and the development is seen as "serious" inasmuch as it threatens to extend the war to Kuwait, a predominantly sunni country which had remained neutral alike other Arab countries in the area, and if the old saying about "all developments in the area having necessarily repercussions on the Lebanese scene" is correct, the least any observers should expect as a result of the apparent "military victory" scored by Iranian troops on the Iraqi front should be a boosting of shiite militancy in Lebanon and this, under the circumstances, can be done only at the expense of the sunnis.

Now, taking also into consideration Syria's alliance with the Amal Movement (seen by all as the incarnation of the shiite community and its spearhead), sunni traditional leaderships could hardly have been expected to serve their subscription to the Tripartite Accord on a golden plate to Syria. And because President Gemayel stood against the Accord, they could neither have been expected to support the demands for his resignation.

Whether or not Syria is expected to play any leading role in the forthcoming stage of the Iraqi-Iranian war is not known as yet. But if she does, as many observers believe, then one more regional dimension could be added to the Tripartite Accord.

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LEBANON

FOREIGN CURRENCY RESERVES SHOW INCREASE IN 1985

Beirut CENTRAL NEWS AGENCY in English 15 Feb 86 pp 17-19

[Text] CNA--In a recent article about the achievements of the Banking and Monetary Sectors during the year 1985, the magazine AL-IDARY suggested that the major achievement of the year or rather the most positive result of the year was an addition, a net addition, to the foreign currency reserves at the Central Bank.

This net addition, while not considerable, is quite commendable but does not excuse the continuation of two figure-inflation and the drop in value of the Lebanese pound and also, most important, the mounting state deficit which threatens to declare at least on paper the bankruptcy of the Government.

Unless, that is, the Government realizes the dangers of its position and tries by some magic card trick to improve its balance of payments and to reduce its overall deficit. In this case of an increased flow of capitals back into the economy and back into the internal revenue offices, there is hope that the current year would not be as bad as the last one or would not be even worse than the last one.

In Lebanese currency, the total amount of foreign currency reserves is estimated to be in the vicinity of 26.07 billion Lebanese pounds compared to 21.07 billion L.P. in the middle of last year and 9.6 billion L.P. at the end of the year 1984.

The Central Bank, as pillar of the economy, is expected to keep its foreign currency reserves at quite a high level. To do this the Bank should wait for the first chance when the market is suitable and when the money in hand allows it, to buy directly on the market the surplus foreign currency especially the foreign currencies in most demand like the dollars, the pound sterling and the francs, the yens and the deutsch marks.

And the Bank was given this golden opportunity last year to build up its reserves at low cost and in anticipation of great profits. To say that the authorities were unprepared to buy so many dollars would be incorrect. To say that they were uninformed of the precarious conditions of the national economy would be an even greater mistake. To say that there was shortsight and carelessness at all levels might fit the picture and give an idea of the mess which was supposed to give the lead to the members of the community.

During the second quarter of 1985 when the U.S. dollar dropped from 19.35 L.P. to 15.15 L.P., the largest quantity of U.S. dollars were bought. This quantity is estimated at close to 300 million U.S. dollars by the end of the first half of the year.

During the second half of the year another 100 billion L.P. were added to the foreign currency reserves and therefore the overall net addition to the foreign currency reserves of the Central Bank was in the vicinity of 400 million U.S. dollars for the entire year. Some observers estimate that with a little more knowhow, the Central Bank could have bought up to one billion U.S. dollars easily and so would have been prepared for the continuation of the internal crisis and for the present foreign currency war which some sides have meant to wage against the economy by means of a weapon against which the economy could be vulnerable to say the least.

The Central Bank bought its U.S. dollars on the local market during the month of August and the month of July when the exchange value of the U.S. dollar rose from less than 16 L.P. at the start of August to about 19.20 L.P. during the second week of September. The C.B. bought again during November and December when the price of U.S. dollars retreated to about 18.75 L.P.

While 40 percent of the Government reserves were in foreign currency, the Bank also used these foreign currency reserves to purchase the needed imported items for the economy to go on and for the public sector not to halt its operations.

On the overall balance of the C.B. for the year just ended, the foreign currency reserves represented 58.22 percent of the assets of the Bank compared with 37.49 for the year before.

Loans to the Internal Revenue Office from the C.B. rose by about 34.26 percent at the end of last year. At the end of 1984 these loans added to about 11636 million L.P. At the end of 1985 these loans added to about 15622.8 million L.P. At the moment the estimated total loan to the internal revenue office owing to the Central Bank adds up to 17455 million L.P., i.e. 1455 million L.P. more than its previous total.

Government bonds also registered a new record for the year just ended. At the end of 1985, these Government Bonds reached a total of approximately 37856 million U.S. dollars, i.e. they have doubled from their level at the beginning of the year and at the moment, these Government Bonds represent about 70 percent of the overall Government Deficit which remains unsettled to date.

In summary, if the Government does not find a way to increase its revenue four-fold, the overall deficit is expected to increase even more and at the same rate because the salaries bill is expected to contribute to an overall increase in this overall deficit.

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LEBANON

AL-BAYAN ARTICLE LISTS POSITIVES, NEGATIVES IN ECONOMY

Beirut CENTRAL NEWS AGENCY in English 21 Feb 86 pp 17-19

[Text] CNA--The 'flare-up' in the exchange price of most foreign currencies on the local market has put a question mark on the substructure of the Lebanese economy in the light of mounting unemployment and closures of a great number of industrial ventures. A recent article published in the monthly magazine AL-BAYAN expressed the positive and negative signs of the deep crisis hitting the Lebanese economy as follows:

--First the negative signs comprise:

The deterioration in the exchange value of the Lebanese pound with respect to most foreign currencies especially the U.S. dollar which constitutes the major currency used on the international markets.

The inflation rate was estimated by the Beirut Chamber of Commerce as 40 percent. The Government Central Bureau of Statistics put its estimate as 59.5 percent. As for the Amalgamated Trade Union Movement, its estimate was close to 69.70 percent.

In addition, the general stagnation in the various economic disciplines were noticed according to the following pointers:

While money deposited in banks was up to 49 percent more in 1985 than its previous total, the amounts loaned by banks increased by only 27.5 percent during the same period. And this increase in loans was not a real increase but a result of the increase in exchange rate of the U.S. dollar and the other foreign currencies.

The money collected as duty by the customs department for the whole of 1985 was down to its lowest in seven years because of the near total dysfunction of the department in the light of the growth of illegitimate and illegal ports.

Following a prior decline in building houses during 1984 by almost 51.35 percent, this sector has again declined last year as a result of the rise in prices of raw materials and the unfavourable security conditions.

But the most important sign of the negative orientation of the crisis is the mounting Government Debt which has increased from 30.7 billion L.P. in 1984 to 53.01 billion L.P. at the end of 1985. In other words, the national debt is more than the gross national product by about 125 percent. This national debt is the result of mounting debt to the Central Bank by the various government departments and then the continued issue of Treasury bonds only makes this national debt all the harder to be settled.

--Second, the positive signs of the crisis are as follows:

Industrial exports for the whole of 1985 were up by about 132 percent compared to the previous year's figure. It is worth noting that these increased exports were only due to the rise in price of the U.S. dollar for 32 percent of their total. The rest of the exports were in other currencies. This increase in exports is due undoubtedly to the increased competitiveness of the Lebanese products abroad as a result of the devaluation of the Lebanese pound and also as a result of the stability of wages and salaries for almost the entire year. One point is also worth mentioning is the existence of a big stock of raw materials bought on the foreign markets a long time ago while the foreign currencies were down and while consumption was negligible.

The Lebanese economic crisis would be due to one of the three reasons given below or to the three reasons combined. The three reasons are:

International, Regional and Local

--The international reason is due to the decline in demand of foreign goods by most nations due to domestic campaigns for less reliance on foreign imports and more support to domestically-produced commodities.

--The campaigns for saving on fuel bills have been reflected on the local market across diminished returns to the oil countries meaning less imports from Lebanon. This diminished volume of oil money meant also and necessarily less Lebanese employees contracted by the Arab countries and therefore less money earned by Lebanese workers in the gulf countries and sent to Lebanon.

--The regional reason is associated mainly with the Gulf war and how it is reflected in diminished exports to Iraq which used to rely on Lebanon for about 25 percent of our exports. And then there is the Israeli invasion to Lebanon in 1982 which has resulted in the destruction of a great number of factories and businesses. Also worth noting is the mounting competitiveness of the Israeli goods on the local market.

--The local reason for the poor performance of the Lebanese economy has to do with three factors:

Weakness of the Lebanese economy. This weakness is in the substructure of the economy and it is due to poor planning and to the absence of control and supervision of the Government to the productive sectors.

Accumulated economic factors leading to the decline as a result of the eleven year war.

The prevailing security condition which has rendered the cooperation among the various regions of Lebanon impossible due to the closure of most roads leading from one part of the country to the other.

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CSO: 4400/134

3 April 1986

LEBANON

ECONOMY IN 1985 REPORTED 'WORST' IN HISTORY

London AL-TADAMUN in Arabic 25 Jan 86 p 27

[Article by Ibrahim 'Awadah]

[Text] Hopes had been set on 1985 being a year of overall salvation for the economy of Lebanon, but by year's end there were clear indications that it had been the worst ever since the civil war began, giving rise to pessimism that the collapse will continue and might accelerate during 1986.

Economic and financial experts in Lebanon agree that 1985 was the worst economic year in the history of Lebanon, and it is inevitable that 1986 will see a deepening of the economic, financial, and monetary crisis if Lebanon is not freed from the many and diverse pressures that it is subjected to on various economic fronts as a result of the continuation of the political and security crisis and the failure to reach a national accord, which alone remains the cure to Lebanon's economic ills.

Economic and financial experts believe that all the bets that had been laid on 1985 being a year of economic salvation have been lost, and that the results in the country indicate that the aforementioned year was the worst, economically speaking, in the history of Lebanon, which this year entered in effect into a phase of economic collapse whose form and appearance have been made evident by more than one indicator and on more than one front, such as the following:

First, with respect to the national currency: The exchange rate of the Lebanese pound recorded a big fall against the American dollar and major European currencies which was the largest since the Lebanese war began. The value of the pound fell by more than 120 percent against the dollar, by 103 percent against the German mark, by 102 percent against the Swiss franc, by 99.5 percent against the pound sterling, and by similar percentages against the French franc, the Belgian franc, and the Italian lira. This enormous and striking decline in the exchange rate of the pound has led to an almost complete collapse in the value of the national currency, which lost much of its strength and much of the international financial confidence in it. That also caused an increase in the rate of inflation in the country, and inflamed the severity of the social and living crisis.

Secondly, with respect to general economic activity: General economic activity in the country recorded a serious decline in 1985 which took on the form of a complete standstill that gripped various economic activities including industry, trade, and real estate. On the industrial front, there was a continuation of the crisis in the industrial establishment arising basically from the huge decline in the volume of production recorded for the aforementioned year (about 50 percent), which in effect aggravated the problem of the industrial sector and caused many establishments to halt operations and lay off their workers. The industrial sector has also suffered from problems with exchange, both at home and abroad. With respect to commercial activity, the closing of the crossing points between the two halves of the capital, Beirut, and the subsequent disruption of communications between many Lebanese regions as a result of the many cycles of violence in which 1985 abounded caused a hard and effective blow to be directed against domestic commercial activity, which fell by 60 percent from what it had been in 1984. Foreign commercial activity also fell by 40 to 55 percent from what it had been in 1984, which caused a drop in the volume of customs revenues.

As for real estate activity, real estate operations, both buying and selling, have come to a complete standstill because of the worsening security and political situation and the increasing severity of the economic crisis in the country, so that this sector, which was the most active in years past, has today become the weakest sector in the economic chain.

Thirdly, in the field of banking activity: In 1985 the banking sector saw a deepening of the crisis because of the increasing severity of the crisis in the economic sectors that deal and interact with it, and also because of the work difficulties faced by this sector, beginning with the long and repeated cut-offs in international communications between Lebanon and the outside, then the series of continuous attacks on bank branches, and finally the scarcity of feasible investment opportunities and the increasing flight of foreign banking establishments, so that banking activity had come to be limited in 1985 to treasury bond subscriptions and speculation in the currency market, and nothing else. But it should be mentioned here that banking deposits recorded a noticeable increase during the aforementioned year, since the volume of these deposits rose from 45 billion pounds in 1984 to 54 billion pounds by the end of November 1985. But this increase was a burden on the banks and not a blessing because they do not have the needed fields for investment, so it is reflected as an inflationary factor on the banking sector.

Fourthly, with respect to the state treasury: The serious drain on the state treasury continued in 1985 because of the continuation of political and security pressures that used to and still do prevent the government from extending its authority over most of Lebanon. As a result of that, the state continued to lose the greater portion of its customs revenues to the operators of illegal ports, and it also continued to be unable to collect various fees and taxes, which increased the size of the deficit in the government budget, subsequently increasing the size of the internal debt, which at the end of November 1985 recorded 45 billion Lebanese pounds, compared to 31 billion pounds in 1984. Also, the deficit in the planned budget for 1986 is estimated by the government at 7 billion pounds, but this

figure is expected to reach 11 billion pounds in spite of the decision to raise the price of fuels made by the government in the last term of 1985, and to repeal fuel subsidies. In addition, we must not forget here the inflation factor and its effect in increasing the size of the economic and social problem, since the rate of inflation is expected to be recorded at more than 70 percent at the end of 1985.

Local economic and financial experts believe that the aforementioned economic and financial indicators are a clear indication of the size and depth of the economic crisis that Lebanon experienced in 1985 because of the continuation of the Lebanese crisis, and that this crisis has in effect brought the Lebanese economy to the point of the start of a collapse. It will be a final collapse, and it will occur in 1986, according to the government itself, if the process of reaching a political accord and closing the "file of the Lebanese war" is not speeded up.

12547/9435
CSO: 4404/227

LEBANON

NEW CRISIS FOLLOWS FAILURE OF TRIPARTITE ACCORD

London THE MIDDLE EAST in English Mar 86 pp 39-42

[Article by William Harris]

[Text]

Since the mountain war of September 1983, the Lebanese crisis has entered its longest and most difficult phase: a process of unremitting violence, exhaustion and reduction, with no end in sight. By early 1986, despite more than two years of battles and the flight of countless refugees, Lebanon seemed caught in the trap of a double stalemate. On the internal stage, as ever, the hammer of Muslim aspirations struck the anvil of Christian resistance; while, from outside, the conflicting fears and ambitions of Syria and Israel fuelled an apparently interminable confrontation-by-proxy.

Furthermore, the frustrations of a long deadlock, combined with manipulation by external factors, caused an unprecedented splintering within the two major sectors (Christian and Muslim). This took an inter-party form amongst the Christians and a sectarian form between Shiites, Druze and Sunnis.

Over the last two and a half years, violence within sectors has regularly alternated with violence between sectors, an additional complication being that this has provided opportunities for a resurgence of autonomous Palestinian military power in the squalid refugee camps of Beirut, Tripoli and the south.

Strategic integration

After his victory in March 1984 in securing Lebanese abrogation of the 17 May 1983 agreement between Lebanon and Israel – an undoubted threat to Syria's

flank – President Hafez al-Assad turned to the task of stabilising Syrian control over Lebanon. He sought a new Christian/Muslim constitutional compact, with Syrian influence deeply embedded in a reconstructed political and military apparatus. This ambition to achieve, in effect, a Syrian/Lebanese confederation under Syrian guidance was later referred to by the code-term "strategic integration" – a term frequently invoked in the Damascus accord.

The war in Lebanon since September 1983 can best be conceived as a struggle over which of two diametrically-opposed tendencies would dominate the next phase in Lebanon's history.

First, there was the tendency towards greater communal fragmentation, militating against control of Lebanon by any single external power. This promised to make the country a perpetual arena for competing external elements, including Israel and the Palestinian organisations.

The second tendency was the Syrian drive to establish and stabilise Syrian dominance over the various communities. This meant, in the long run, the enforced centralisation of authority.

Syria's main problem was that its capabilities did not match its ambitions. Constraints, whether from Israel, the West or the Arab states, made the large-scale use of Syrian armed force difficult. In any case, Syria feared the consequences of direct military intervention in the sprawling urban mass of Beirut, having already had its fingers burnt between 1978 and 1982.

This fear was obvious to the Lebanese factions.

Syria thus found itself reduced to using indirect methods: relying on the exhaustion produced as the parties collided with one another, with some judicious steering from time to time. Betting on fragmentation, however, in the hope that exhaustion would eventually facilitate a healing process, has proved a dangerous option. As a strategy it reflects weakness rather than strength, and it could entrench cantonisation – something Damascus has opposed both as an ominous precedent for Syrian cohesion and because of the extreme complexities of managing a multi-faceted Lebanon.

The December accord

The 28 December 1985 agreement between the leaders of the three major Lebanese militias – the Christian "Lebanese Forces", the Shiite Amal movement and the Druze-led Progressive Socialist Party (PSP) – was an important step in the Syrian drive to produce a new Lebanese order by slow, patient pressure.

Throughout 1984 the Syrians had tried to operate through Lebanon's official institutions – the presidency and the cabinet – but this attempt had collapsed due to the exclusion of the main dynamic element in the Christian sector: the Lebanese Forces. In 1985 the Syrians switched the emphasis to the militia leaders (or "effective factors", in Lebanese jargon), bypassing the Lebanese "legitimacy" – in particular President Amin Gemayel.

Such acceptance of the Lebanese Forces soon produced what seemed a spectacular success for Syria – the signing, in Damascus, of the December agreement.

According to correspondence between the chairman of the executive committee of the Lebanese Forces, Elie Hobeika, and Syrian Vice-President Abdel-Halim Khaddam – as leaked to the Paris-based weekly *El-Yaum al-Sabi* – Hobeika had been ready, as early as last August, to accept the Syrian concept of "strategic integration" in military, political, economic and cultural matters.

In exchange, he received Syrian assurances concerning the retention of a Maronite president and continued substantial Christian participation in the Lebanese political system. On the issue of "the distinctive relations between Lebanon and Syria", Hobeika's letters set out, word for word, what appeared in the Damascus accord four months later.

The Muslim response

In view of the hostility to the agreement in both sectors of Beirut, it is difficult to believe that the Syrians considered the arrangement conclusive. Presumably they anticipated trouble but regarded the accord as a first step towards a final settlement involving both the armed groups and the Lebanese government, after a period of inter-factional attrition.

Contrary to the impression created in the Western media that Lebanese Muslims whole-heartedly supported the agreement, opposition in West Beirut was widespread and deep-seated. Apart from the usual lip-service to Syrian requirements, only the Amal leadership displayed any genuine attachment to the agreement – as it promised the Shiite community concrete constitutional gains which might enable Amal to hold off the rising fundamentalist tide.

For other Shiites, however, including both the fundamentalists and elements in Amal, the limited constitutional shift in favour of the Muslim sector gave them far less than they considered their due. In the Sunni community, verbal approval barely concealed anger at having been virtually ignored in the Damascus negotiations.

As for the Druze, a senior PSP personality dismissed the agreement out of hand, telling *The Middle East* that it bore no relation to Lebanese reality, and that no end to the war was in sight. Druze coolness hardly came as a surprise as – again, contrary to Western press reports – it was the Druze, not the Christians, who stood to lose most from implementation of the agreement. They particularly feared the removal of communal autonomy and security with the return of Christian refugees to the Chouf mountains – a key part of the Druze heartland south of Beirut.

The open assault on the agreement, however, came from the Christian sector, no doubt watched with private satisfaction by many in West Beirut who were vociferously calling for Gemayel to go. The speed, ferocity and effectiveness of Maronite repudiation of the accord clearly caught the Syrians by surprise. This raised new questions about their ability to interpret Lebanese Christian politics.

The Christian response

Warning signals as to the likely fate of the Damascus accord were apparent in East Beirut even before the signing.

Support for the detail of the proposed agreement, as opposed to support for the principle of having an agreement, came only from Elie Hobeika and his close circle.

Even in the Lebanese Forces executive committee, there was a six-six split on the issue, with three abstentions: only Hobeika's casting vote, as chairman, tipped the scales. Also, Christians remained unconvinced by the argument that an arrangement widely viewed as abject capitulation to Syria (and to West Beirut) represented the "least bad" option if the semblance of a Christian role in a restructured Lebanon were to be preserved.

Hostility to the accord came from three main sources, which encompassed almost the entire Christian leadership in East Beirut.

Betting on fragmentation has proved a dangerous option

● President Amin Gemayel and the Kataib (Phalange) party command opposed the accord because the presidency had been bypassed. More particularly, they opposed the erosion of Maronite constitutional prerogatives involved in the reduction of the president's powers, and the movement towards full political deconfessionalism.

There is also a suspicion that Gemayel was encouraged to dig his heels in by the American embassy in Beirut, as revenge against Syria for wrecking the 17 May 1983 agreement crafted by Secretary of State George Shultz.

● The military chief of staff of the Lebanese Forces, Samir Geagea – along with the bulk of the militia rank-and-file and at least half the militia leadership – reacted angrily against what they saw as complete Christian surrender. To them, armed resistance from the fortress of the Christian heartland represented the "least bad" option. Whereas the Syrians might hope eventually to bend Gemayel to their will by once more treating him as their main Christian interlocutor, there was little chance of this with Geagea.

● The high command of the three mainly Christian brigades of the Lebanese army (the second, fifth and eighth brigades) – the backbone of East Beirut's armed might in the event of a direct showdown with Syria – objected to the clause which called for the army's return to barracks and its complete reconstruction, by implication under close Syrian supervision. This would mean the demise of these brigades under what

Christian commanders regard as insulting conditions. In their eyes, only military defeat could lead to the acceptance of such terms.

Geagea had tolerated the negotiation of the accord only on the tactical grounds of gaining time while West Beirut floundered deeper into anarchy. After the signing, however, any argument for co-operation with Hobeika vanished. The forces opposed to the accord prepared to mount their challenge.

Geagea received the backing of the powerful Maronite monastic orders headed by Abbot Bulos Naaman, and co-ordinated his actions with President Gemayel, apparently using ex-President Camille Chamoun as an intermediary. Even though Hobeika was the intelligence chief of the Lebanese Forces as well as chairman of its executive committee, he seems to have had little inkling of the coup being hatched against him.

On 15 January his opponents struck, crushing the Hobeika loyalists in a few hours of fierce fighting in which up to 300 were killed. Hobeika was packed off into exile. His subsequent return to Lebanon under Syrian patronage only confirmed his status as a spent force in the Christian arena.

Outlook for the Christians

At first glance the Christian sector's position would seem desperate. The population, facing a major new round of fighting, is tired and confused and is united only in its dislike of the Damascus accord in its present form. Inflation and the continuing decline of the Lebanese pound mean that poorer Christians face real hardship. Last but not least, the army and militia are heavily outnumbered vis-à-vis the Syrian forces.

Nonetheless, as the community faces the abyss, there is a toughness and truculence in the Maronite stand which should not be underestimated. Also, the fact that peripheral Christian areas such as the Chouf and Zahle have already collapsed, in earlier rounds of fighting, means that opportunities for pressuring East Beirut by squeezing outlying Maronite areas have diminished.

The Maronites may be disoriented and desperate – but so are all the Lebanese. Sectarian splintering in West Beirut may well have passed the point of no return, and the economic degradation of the western half of the city makes East Beirut, even *in extremis*, look relatively prosperous.

Moreover, the Amal movement, exhausted by its exertions against the Palestinian fighters in last June's "war of the camps", is so distracted by Iranian, Israeli and Arafatist manoeuvrings – in both West Beirut and the south of the country – that its ability to play an effective role on the main front is in doubt.

Syria evidently hopes that economic and military pressure, chiefly through sporadic militia bombardment and Syrian military concentrations, will stimulate renewed dissension in East Beirut between Geagea, Gemayel and political elements in contact with Syria (for example, the independent Maronite political bloc).

This might eventually bring a weary Christian majority back to something closely resembling the Damascus accord. However, in view of problems among Syria's allies and the possibility of further Palestinian and Israeli activity threatening Syrian paramountcy, such an outcome hardly rates as a certainty.

For example, the question arises as to how far Syria can rely on its Maronite ally ex-President Suleiman Franjeh in putting serious pressure on the northern front of the main Christian enclave. Franjeh's conversion to support for the accord came so late as to suggest it was merely a tactical manoeuvre to satisfy Damascus, after he had assured himself the accord would collapse anyway.

Time is important for Syria, as to allow the current setback to persist would have implications for Syria's regional position. Thus an assault with Syrian participation behind a proxy screen – probably against Gemayel's home town of Bikfaya – becomes a distinct possibility.

Lebanon's population

Shiites	1,100,00	(30%)
Maronites	900,000	(25%)
Sunnis	750,000	(20%)
Greek Orthodox	250,000	(7%)
Druze	200,000	(5%)
Armenians	175,000	(4.8%)
Greek Catholics	150,000	(4%)
Other Christians	50,000	(1.2%)

Total **3,575,000**

Note: Lebanon has had no official census since 1932. These estimates were published in **Lebanon: A conflict of minorities** (Minority Rights Group, London, November 1983).

For the moment, Assad may be deterred by warnings from the United States and Western Europe not to unleash an invasion of the Christian sector. He is also well aware that the fighting would be very severe – and perhaps complicated by Israeli reactions using the South Lebanon Army and the Israeli airforce. But if he finally concludes that other options are useless, the Lebanese crisis could enter an even bloodier and more unpredictable phase.

A Crisis of Leadership

"There is a crisis of leadership within the country's two biggest communities – the Maronites and the Shiites," says a Lebanese political analyst. "Both Amin Gemayel and Nabih Berri face major challenges to their authority."

Temporarily at one in their hostility to the Syrian peace plan, many Maronites have rallied behind President Gemayel – even those who mistrust him most, such as Samir Geagea, the hawkish young boss of the Lebanese Forces militia. It is a curiously Lebanese irony that Geagea first came to prominence a year ago when he challenged Gemayel over his "pro-Syrian" policies.

To put pressure on Gemayel, the Syrians are anxious to drive wedges between Christian and Christian. But their two principal instruments – the ousted Lebanese Forces chief Elie Hobeika and ex-President Suleiman Franjeh – are isolated because of their Syrian sympathies.

The position of Shiite leader Nabih Berri, meanwhile, looks much less impressive than it did last year, when he achieved international acclaim for his role in defusing the TWA hijack crisis.

Now he is under fire from several directions. His main critics are Shiite fundamentalists who consider him too secular-minded. "One charge against Berri," explains a Lebanese journalist, "is the extent of his support for the Syrian peace plan signed in December. Another is that Amal, the main Shiite militia, has been infiltrated by communists and Marxists."

As a result, Berri's writ runs only in Beirut, if there. The Iranian-inspired Shiites of the Bekaa valley, east of Beirut, have gone their own way. So have the Shiites of the south, who are now virtually autonomous from the rest of Lebanon. Geographically dispersed, the Shiites have had no truly national leader since the disappearance of Imam Musa Sadr.

Other communities – with the possible exception of the relatively homogeneous Druze – are also in bad shape. "For the Sunnis," argues a Western commentator, "the crisis is not so much one of leaderlessness as powerlessness."

Some argue that Lebanon's old system of *zaims* – communal patrons – has started to break down. Others see a growing generation gap, as the young become impatient with the old warlords who have dominated Lebanese politics for so long.

Voices of Discord

The Lebanese are ever ready to diagnose their own affliction. "For 11 years we have been unable to create peaceful coexistence among ourselves," laments a clergyman. "We need help from outside – and only Syria can give it."

A businessman disagrees. "Syria wants to dominate us, and the Lebanese will never accept that. It is up to us to root out this disease of sectarianism: no one else can do it for us."

Others blame Israel. "Until the Arab-Israeli conflict is solved – and it may never be – Lebanon will not be at peace. We are vulnerable to every regional upheaval," says a student.

Many feel betrayed by the West, or by the world in general. "The West describes us as an island of Christianity in a sea of Islam – but does nothing to save us," says

the clergyman bitterly. "Western interference – particularly when the US marines arrived – has only made things worse," counters the businessman.

Since the disastrous American intervention in 1983, many blame Washington for ignoring Lebanon altogether. "It has dropped below the horizon," observes a diplomat. "It is simply a place where a number of Americans are being held hostage."

"The immediate prospect," predicts a journalist, "is one of intensified intra-communal strife. Gemayel will not go: too many people need him. Assad will not intervene directly: America and Israel have drawn a 'red line' which he knows he cannot cross."

"The Lebanese will be left to fight it out among themselves."

/9317

CSO: 4400/134

SYRIA

TRADE MINISTER OUTLINES AIMS OF 5-YEAR PLAN

Beirut AN-NAHAR ARAB REPORT & MEMO in English 20 Jan 86 pp 26-27

[Text]

When you took over as Minister of Economy in July 1985, it was expected that you would introduce new economic policies, specifically that of Infitah (Open Door Policy). Have you adopted such a policy?

Syria's economic policy is based on a view of development formulated at the beginning of the Corrective Movement and on guidelines provided by President Hafez al-Assad. Our policy is based on several principles.

The first is that this country's wealth lies in its resources. Thus, the state's function is to ensure that such wealth is exploited to its fullest for the good of the people and with a view to attaining social justice.

By the same token, we consider that this country's human potential is its most important resource. Finally, we believe that the public sector, as in most developing countries, is the pillar of the development process.

Given that the human potential is the most important resource, the state must do its utmost to see to it that it is tapped to the fullest in a manner which coincides with our development plan's objectives.

So what we are talking about is not a policy of Infitah, rather a policy which would strive to expand the investment potential of the country's resources. The term Infitah has taken on political overtones. So, in Syria, we do not like to talk of Infitah. We are looking at creating new opportunities for private investment by Syrians, Arabs or Syrian immigrants. We are looking for new work opportunities, new ways of facilitating a person's attempt to earn a living and we are trying to do away with the various obstacles that are an inevitable part of the routine manner in which a national economy is run.

To that end, the government has drawn lists of opportunity areas for private investment in the agricultural and industrial sectors. Defining those areas is important because the need to encourage the private sector has always been acknowledged. Joint private sector projects cannot be nationalised, confiscated or taken over by the public sector. So, the first step was defining opportunity areas and making those known to investors.

What are the changes in terms of targeted opportunity areas?

Private and joint venture investments can now be made freely in a large number of agricultural projects, land reclamation projects, farms, dairy farms, various food industries as well as light industries such as textiles, chemicals and construction. Those areas were chosen to coincide with the aims of the development plan as well as to complement, rather than compete with, the public sector's activities.

Other steps have been taken to pave the way for joint venture projects between the state and the private sector whether Syrian, Arab, or immigrant Syrian. Many Syrians do not know of the different incentives currently offered by Syrian law.

The 1969 Legislative decree 343, as well as many other laws, offer such incentives for the tourism sector. One particular decision relating to touristic projects offers tax incentives and allows investors to open accounts abroad. It also allows up to 70 percent of a project's profits to be retained and used to cover import needs.

Syria's private sector also faced the problem of securing its raw material needs. So another decision raised import quota restrictions and offered a series of exemptions. Furthermore, the industrialist no longer needs to wait for the necessary paperwork to import his raw materials. The agricultural sector has benefited from a similar law which allows for the importation of any raw material.

We have also done away with the differences in the treatment of Syrians and Syrian immigrants. Syrians now have the same rights as immigrants who had long been allowed to maintain a foreign currency account in Syria to cover import needs. Thus, both categories of Syrians now enjoy the same privileges with regard to import rights. These decisions have helped create the necessary climate for investment and has provided the private sector with most of its primary products needs.

On the other hand, we are now at a stage where, as most developing countries, we need to increase our export levels. So the state licencing committee decided to apply the tourist's rate of exchange on all Syrian exports, whether private or public. Of course, this kind of

measure has helped sooth the fears of both the private and public sector and there is now a real incentive and a real desire to export.

Those are the first steps towards creating the right climate for the productive sector. We don't consider these steps to be part of a process of Infitah. They are rather an attempt at re-directing economic priorities.

Syria's 1986-1990 five-year plan seems to have targeted the agricultural sector as one of its main priority areas. What are Syria's aims in terms of the agricultural sector?

Food security is an important subject in the Arab world. Syria is one of the few Arab states that has been able to achieve a high degree of food security. Our agricultural production can cover 68 percent of our food needs. But it is still not enough considering that Syria was a food exporter. It must work to regain its former position as an exporter of various agricultural products.

The 1986 plan focuses on the agricultural sector. In the past, the agricultural sector accounted for 21 percent of GNP. This is a good level of contribution but the new plan is attempting to increase the sector's share.

In the 1986 plan funds allocated to the agricultural sector have increased by about 17 percent over 1985 level. This is a big increase for one year. Syria's agricultural potential is huge and what has been accomplished so far augurs well for the future, if rainfall levels are sufficient and if Syria is able to ensure the necessary amount of water from the Euphrates. Turkey has built several dams on the Euphrates and this has caused difficulties for Syria because it has resulted in water shortages.

Are there any negotiations currently under way to solve the crisis between Syria and Turkey over the use of the Euphrates river?

The point is that the Euphrates is an international river. Turkey's building of dams on the river greatly affects the amount of water available to Syria. The water shortage has put several strains on Syria.

First, the water shortage has affected the amount of electricity generated by our Euphrates hydroelectric station. If the Euphrates flow was as strong as it used to be, Syria would not be suffering from a shortage of electricity.

Second, the bulk of our energy needs is provided by hydroelectricity. So, not only are we suffering from power shortages but we have also been forced to rely increasingly on thermal energy to cover our energy needs. This has meant that our fuel consumption rate has increased.

Iraq has been equally affected by the Turkish dams and this is an important matter to us because the Euphrates river provides three-quarters of our water needs.

We hope that Turkey will consider the matter of riparian rights. It must allow water to flow to Syria and it must cooperate with us in drawing up plans to ensure that Syria receives the amount of water necessary to meet its energy needs. We will continue our contacts to achieve that.

What are the other priorities of the next five-year plan?
In terms of projects, priority has been given to completing those under construction and under implementation so we can benefit from them as soon as possible. In terms of sectors, the agricultural sector is the main priority, followed by the industrial sector. In the latter sector, the emphasis is on exploiting our new oil discoveries. We have recently made several oil discoveries which should help expand our oil production.

The levels of oil discovered are said to be between 70,000 and 100,000 b/d. Are those estimates correct?

I do not have details on the discoveries, but it is estimated that, within two years, they will yield at least a quarter of Syria's current production level which is around 8.5 million tonnes a year. Assuming a million tonnes are worth about \$170 million, the new discoveries will be an important source of revenue.

Our expectations are that the increase in oil output will be felt in 1987, not before. We therefore expect to see a major improvement in the economic situation from 1987 on.

Could you expand on Syria's economic ties with Lebanon and the issue of economic complementarity?

We are ready to cooperate to the fullest on trade exchanges, production projects and specific ventures in either country or abroad. We are also willing to coordinate monetary and banking policies as well as coordinate positions when dealing with international institutions.

Syria and Lebanon were part of a single economic unit for many centuries. The economic split did not occur until 1950. Since then we have been trying to overcome the consequences of such a split.

The fact is that Lebanese products are entering Syria whether they are allowed to or not. To both Syrians and Lebanese, the frontiers are only on paper. Trade exchanges between Syria and Lebanon are a matter of course. Agreements meant to legitimise and encourage the complementary nature of the two countries would only be putting the seal on a "fait accompli". They would not signal the beginning of a new trend.

Jordanian-Syrian economic ties were maintained throughout the period of diplomatic tension between the two states. Are there any plans to improve them following King Hussein's visit to Damascus?

President Assad has always insisted on the necessity of maintaining Syrian and Jordanian economic ties irrespective of the state of other ties. Economic cooperation between the two countries is reflected in several joint Syrian-Jordanian ventures in land transportation, shipping and industry. All companies continued to operate despite the situation.

Trade exchanges continued as well, within the framework of existing bilateral agreements, those of the Arab Economic Unity Council and those of the Arab Common Market. The efforts made to improve diplomatic relations between the two states will definitely enhance their economic cooperation.

/9317

CSO: 4400/133

3 April 1986

AFGHANISTAN

20 SOVIETS REPORTEDLY EXECUTED FOR REFUSING TO FIGHT

Kuala Lumpur NEW STRAITS TIMES in English 15 Jan 86 p 15

[Text]

ISLAMABAD, Tues. — Twenty Soviet soldiers were executed in the southern Afghan city of Kandahar last month for refusing to fight with Afghan troops against Muslim resistance there, Western diplomats said here today.

The Russians apparently feared the Afghan troops would defect to the resistance during any fighting, they said quoting reports from Kabul.

The diplomats also reported such a defection, saying 400 Hazara Shi'ite tribesmen given Kalashnikov assault rifles and six months' pay in early December to work as pro-government militia quickly went over to the resistance near the southeastern city of Ghazni.

They encircled the Afghan troops and, on Dec. 15, 250 soldiers also joined the resistance, the diplomats added.

Afghan exile sources had no information on the reported Kandahar execution, said to have taken place in early December.

But they confirmed

that the Hazaras had defected around Jaghori, 100 km southwest of Ghazni, and that fighting there continued. They said the Ghazni provincial governor had personally paid the Hazaras when their militia was formed.

The diplomats said Soviet forces bombarded bazaars in the centre of Kandahar on Dec. 31 after a Soviet soldier was killed by sniper fire there four days earlier on the sixth anniversary of Moscow's intervention in Afghanistan.

They reported many civilian casualties in the initial bombing and six deaths on Jan. 6 in another attack.

About 20 to 25 troops have been killed during intensive searches recently of Kandahar's Bagh-i-Omumi area which is suspected of being a resistance stronghold, they added.

Afghans arriving in the nearby Pakistani city of Quetta said Soviet troops were indiscriminately bombing civilian areas of the city. — Reuter

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END