

JPRS-NEA-90-002
9 JANUARY 1990



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JPRS Report

Near East & South Asia

19990510 170

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NATIONAL TECHNICAL INFORMATION SERVICE
SPRINGFIELD, VA. 22161

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DISTRIBUTION STATEMENT A
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Near East & South Asia

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CONTENTS

9 JANUARY 1990

NEAR EAST

REGIONAL AFFAIRS

Post-Cold War Stance in Middle East Examined [Jerusalem THE JERUSALEM POST 24 Nov] ..	1
Iraq Military Industries Minister on ACC Arms Cooperation [Cairo AKHIR SA'AH 15 Nov]	2
AL-AHRAR Claims 'Israeli Plotting' Against Egypt's Economy [Cairo AL-AHRAR 20 Nov]	3
Politics Said Limiting Israeli-Egyptian Trade [Tel Aviv DAVAR 11 Oct]	4
Libyans Charge Egypt With Customs Delays, Mistreatment [AL-WAFD 6 Dec]	5
Al-Qadhdhafi Discusses Treaty, Arab Role in Supporting Army [Cairo AL-SHA'B 21 Nov]	6
Editor Praises Iraqi Missile Launch as Entry to Space Age [Cairo AL-AHRAM AL-DUWALI 12 Dec]	6

PALESTINIAN AFFAIRS

Intifadah Leaders Urge Escalation [Tel Aviv HA'ARETZ 4 Oct]	6
---	---

EGYPT

Industry Minister Discusses Price Controls, Public Sector [AL-AHRAM 23 Nov]	7
Labor Minister Says Salaries To Incorporate Bonus [AL-WAFD 1 Nov]	9
Administrators' Conference Offers Economic Solutions [ROSE AL-YUSUF 20 Nov]	10
Bank Official Suggests Measures for Struggling Companies [London AL-HAWADITH 3 Nov]	11
Article Lists Problems, Suggestions for Dollar Bonds [AL-MUSAWWAR 10 Nov]	13
Editorial Suggests Ways To Increase Public Sector Oversight [AL-JUMHURIYAH 14 Nov]	15
Editorial Claims Government Apathetic to Public Needs [AL-JUMHURIYAH 9 Nov]	15

ISRAEL

Oil Contract With Egypt, Mexico Seen Threatened [HADASHOT 2 Nov]	16
Kuwaiti Newspaper Forecasts Limited War With Israel [BAMAHANE 25 Oct]	16
Justice Ministry Blames PLO for Children's Deaths [THE JERUSALEM POST 1 Dec]	17
New Firing Orders in Territories Discussed [HA'ARETZ 2 Nov]	17
Current Armor Developmental Stages Discussed [BAMAHANE 1 Nov]	20
Nature of Intifadah-Related Incidents Changing [HA'ARETZ 8 Oct]	21
Growth of Hamas, Islamic Jihad Reportedly Concerns PLO, Israel [HA'ARETZ 22 Dec]	24
Galilee Jews, Arabs Form Joint Forum [HA'ARETZ 5 Oct]	24
Jewish-Arab Goodwill Meetings Described as Futile [HA'ARETZ 13 Oct]	25
Israeli Arabs Purchasing Palestinian Products [YEDI'OT AHARONOT 20 Oct]	26
Businessmen Establish Contacts in Europe [DAVAR 20 Oct]	28
Agricultural Product, Revenues Drop [HA'ARETZ 19 Oct]	28
Banks Anticipate Currency Restrictions in 1992 [THE JERUSALEM POST 30 Nov]	29
Arab Population Centers in Jewish Cities Record Growth [Tel Aviv DAVAR 25 Dec]	30
Crisis in Higher Education, Research Predicted [Tel Aviv DAVAR 20 Oct]	30
Hang Glider Acquisitions Profiled [BAMAHANE 25 Oct]	31
Commentator Examines Likud Options [HA'ARETZ 7 Nov]	32

JORDAN

'Royal Jordanian' Moves Toward Privatization [London AL-HAWADITH 10 Nov]	32
Leaflet Attacks Christians, Circassians [Tel Aviv HA'ARETZ 22 Dec]	34

LEBANON

New Mufti Interviewed [Cairo AL-NUR 8 Nov]	34
--	----

SUDAN

Nationalized Agriculture Urged To Boost Wheat, Sugar Crops [AL-QUWWAT AL-MUSALLAHAH 1 Oct]	36
Documents of Alleged Coup Conspiracy Seized, Cuba Implicated [Cairo AL-SHA'B 21 Nov]	37
Peoples' Committees Said To Lack Definition, Direction [AL-INQADH AL-WATANI 16 Oct]	37
Textile Production Poised for Growth, Suffering Setbacks [AL-INQADH AL-WATANI 8 Nov]	38
Editorial Suggests Ways To Boost Jobs, Curb Unemployment [AL-QUWWAT AL-MUSALLAHAH 12 Sep]	39

TUNISIA

PUP Leader Messaoud Discusses MUP Merger, Party Status [REALITES 16 Nov]	39
RCD Jendouba Deputy Interviewed on Development Plans [LE MAGHREB 17 Nov]	41
New Agricultural, Conservation Programs Urged [LE MAGHREB 17 Nov]	43

SOUTH ASIA

AFGHANISTAN

TIQ Advocates Direct Talks With Kabul [Islamabad THE MUSLIM 13 Nov]	46
---	----

INDIA

President Speaks at Trade Fair Opening [THE TIMES OF INDIA 15 Nov]	46
Delegations Attend Trade Talks in Europe	46
GATT Geneva Meeting [THE TELEGRAPH 17 Nov]	46
Delegation to EC [PATRIOT 14 Nov]	47
Political Parties State Position on New Government	48
CPI-M Leader Quoted [THE TIMES OF INDIA 5 Dec]	48
More on Communist Stand [THE HINDU 30 Nov]	48
BJP Reply to National Front [THE HINDU 30 Nov]	49
Asian Development Bank Policy on India Assessed [THE TIMES OF INDIA 15 Nov]	50
'TIMES' Editorials Assess Gandhi Accomplishments	51
'Economic Score-Card' [THE TIMES OF INDIA 17 Nov]	51
'The Diplomatic Record' [THE TIMES OF INDIA 18 Nov]	51

IRAN

Cooperation Exchange With Sweden [JOMHURI-YE ESLAMI 27 Nov]	52
IRI, Sweden Conduct Talks on Forestation [JOMHURI-YE ESLAMI 28 Nov]	53
IRI's Oil Revenues Increase by 9 Billion Dollars [London KEYHAN 9 Nov]	53
Joint Economic Commission To Be Formed With USSR [London KEYHAN 16 Nov]	54
Mehrabad To Be Transformed Into International Transit Airport [London KEYHAN 9 Nov]	54
Airline Problems, Difficulties Detailed [JOMHURI-YE ESLAMI 27 Nov]	54
Tehran Facing Water Rationing [JOMHURI-YE ESLAMI 27 Nov]	55
Mahdavi-Kani Wants Basijis Ousted From Mosques [London KEYHAN 23 Nov]	55
Basijis To Receive Free Medical Treatment for One Week [JOMHURI-YE ESLAMI 27 Nov]	56
Foreign Exchange for Medical Students Increases [London KEYHAN 16 Nov]	56
Mineral Exports Generate Foreign Exchange [ETTELA'AT 23 Nov]	56
Itinerant Courts Established To Expedite Case Reviews [JOMHURI-YE ESLAMI 2 Dec]	56
Sixty-Five Percent of Taheri Floating Jetty Completed [JOMHURI-YE ESLAMI 30 Nov]	57
Domestic Boiler Technology Reviewed [ETTELA'AT 23 Nov]	57
Progress, Plans for Western Region Irrigation [RESALAT 20 Nov]	58
Telephone Center Inaugurated in Mohammad Yar [ETTELA'AT 23 Nov]	59

PAKISTAN

President Says 'No Compromise on Kashmir' [THE PAKISTAN TIMES 3 Dec]	59
Constitutional Basis for Linkage With Azad Kashmir [THE MUSLIM 13 Nov]	60
PPP's Past, Future Policies Discussed [THE MUSLIM 4 Nov]	62
PPP Accused of Involving Judiciary in Politics [THE MUSLIM 10 Dec]	63
Fazle Haq Says Mid-Term Elections PPP's Only Option [THE MUSLIM 10 Dec]	63
Fazal Criticizes Government Relations With COP [THE MUSLIM 13 Nov]	64
Sindh MNAs Apprise PM of People's Programme Development [THE PAKISTAN TIMES 6 Dec]	64
Sindh Government Extends G.M. Syed's Detention [THE MUSLIM 11 Nov]	64
Democracy Seen as Only Alternative for Sindh [MORNING NEWS 2 Dec]	65
TNFJ Rally Against Gen Haq, Punjab Government [THE MUSLIM 11 Nov]	67
Northern Areas To Be Given Provincial Status [THE MUSLIM 4 Nov]	67
Jatoi Called 'A Bad Loser' by Tariq [THE MUSLIM 4 Nov]	68
Wali Khan Cites 'Rampant Corruption' [THE MUSLIM 13 Nov]	68
Economic Trade With Soviet Union Detailed [THE MUSLIM 7 Nov]	69
Need for Modern Technology Acquisition Noted [MORNING NEWS 28 Nov]	70
Foreign Training for Hi-Tech Experts Urged [MORNING NEWS 23 Nov]	70
Crime Control Committee Set Up in Punjab [THE PAKISTAN TIMES 5 Dec]	71
Population Control Stressed by Senate Committee [MORNING NEWS 23 Nov]	71
Jeay Sindh Workers Arrested [THE MUSLIM 13 Nov]	72
Commentary Sees 'Hidden Hands' in Sind Disturbances [Islamabad Radio]	72

REGIONAL AFFAIRS

Post-Cold War Stance in Middle East Examined

44000123A Jerusalem THE JERUSALEM POST
in English 24 Nov 89 p 4

[Article by Dore Gold, director of the U.S. Foreign and Defence Policy Project, Jaffee Centre for Strategic Studies, Tel Aviv University: "Strategic Choices in a Changing World"]

[Text] No other event could more symbolically mark the new era in East-West relations than the crumbling of the Berlin Wall, and few developments could better represent the political implications within the U.S. of the events in Berlin than the announcement by Secretary of Defence Richard Cheney of the need to cut the U.S. defence budget. That Cheney, who has been one of the more conservative and sceptical members of the Bush administration regarding the USSR has come out with such statements underlines the magnitude of the attitudinal changes that have transpired in the last month in Washington.

No state, including Israel, that has lived for much of the last 40 years under some sort of American security umbrella can ignore the implications of this rapidly changing situation.

Cheney has already reportedly asked the heads of each of the armed services to prepare plans for cuts that would collectively add up to \$180 billion in the five years from 1992 to 1997. Without getting into too many specifics, Cheney has stated that the cuts would bring about reductions in force structure, weapons cancellations, and closing of bases. Some officials have suggested that the cuts could lead to the dismantling of several divisions and the removal of between two and three aircraft carriers from active duty.

There has been speculation that the U.S. might actually revise its conventional arms reduction proposals in Europe by recommending a 70,000-man cut in forces instead of the 30,000-man cut contained in the current Vienna talks. Cheney has carefully differentiated between force reductions in Europe—which he sees as conceivable—and the situation in the Third World; Soviet behaviour in Central America and elsewhere in the developing world is still viewed by Cheney as largely unchanged.

This would not be the first time in recent years that the U.S. defence budget faced large cutbacks. From 1969 to 1975, American defence spending was slashed on a yearly basis; the number of active U.S. Army divisions fell from the Vietnam-buildup high of around 19, to 13; the U.S. Navy's active carrier force dropped from 23 to 13. During the 1970s, these cutbacks not only produced a change in American capabilities, they were accompanied by a fundamental alternation of U.S. military strategy as well. In this time period, the National Security Council revised the previous U.S. military goal of

being able to fight two major land wars and one small brushfire war ("two-and-a-half wars") and settled for a "one-and-a-half wars" military policy.

It was at this time as well that the "Nixon Doctrine" sought the build-up of regionally influential powers, like the Shah's Iran, and the involvement of their American-supplied armies in regional conflicts in lieu of U.S. forces.

Whether the Bush-Cheney cuts of the 1990s approach the Nixon-Laird cuts of the 1970s or not, there is reason to consider how alterations in U.S. capabilities will affect U.S. defence policy, particularly in an area like the Middle East. On the one hand, one could posit that even with cutbacks in U.S. force levels, the relaxation of U.S.-Soviet relations in Europe will free remaining U.S. forces for missions in the Third World and in the Middle East in particular. Thus, if out of 18 divisions the U.S. previously dedicated 10 to the defence of NATO—leaving eight for other contingencies—now even a 13-division army would be more than adequate for other contingencies if no forces have to be set aside for the defence of Europe.

On the other hand, however, it is extremely unlikely that the U.S. will retain a highly activist military posture in the Third World if the Cold War truly comes to an end in Europe. Without some perception of the Soviet threat, it is hard to imagine that the U.S. would remain concerned about distant developments half-way round the globe.

It was the essential U.S.-Soviet rivalry, according to the American Cold War historian Daniel Yergin, that led Americans to believe in the "gospel of national security"—the perception that the boundaries of the factors affecting the core interests of the U.S. are limitless.

With the total relaxation of U.S.-Soviet relations in Europe, it becomes extremely difficult to assert that a given coup in the Third World or a distant interstate war can affect the overall global balance of power. In other words, improved U.S.-Soviet relations are more likely to lead to a certain American apathy or indifference about events that previously would have elicited some kind of strong response. Thus it is far more likely that, with the new superpower relationship in Europe and the defence cuts that it could well elicit, the U.S. military profile in the Third World will tend to decline.

For Israel, in the near term, as long as some residual Soviet threat is perceived, the U.S.-Israeli strategic relationship will continue to have some vitality. This is especially true if the degree of threat perceived by America's allies collapses at a far greater pace than that perceived by the U.S. armed forces. But, moving beyond the Soviet threat in the Eastern Mediterranean to interstate tensions in the Middle East not involving the USSR, some possible forms of Israeli strategic interaction with the U.S. may become feasible, especially if the Bush administration replaces the direct military activism of the Reagan administration with a return to the Nixon Doctrine.

Israel could serve as an important factor in preserving regional stability especially if the U.S. finds difficulty in obtaining the cooperation of Arab partners like Egypt for such a role. However, should Arab-American strategic cooperation grow in importance, in place of the direct intervention of U.S. forces in the Middle East, Israel could face an acceleration of American arms sales to the Arab world in a manner similar to the upsurge of sales that occurred in the early 1970s.

But moving beyond the near term, should present trends in proposed defence cutbacks continue and the U.S. become increasingly disengaged from events in the Third World and the Middle East, other important implications are worth considering.

First, should there be a perceived decline in the U.S.-Israeli strategic relationship, the deterrent value of this relationship in the Middle East military balance should diminish as well. Israel would have to seek to alter the deterrence balance with Syria by itself, unless it is compensated for by an equivalent decline in the Soviet-Syrian strategic relationship.

Secondly, an appreciable decline in the U.S. presence in Europe would have to be factored into any calculation of wartime resupply of Israel in the event of an Arab-Israel war. Much of the U.S. resupply capability has traditionally been a function of the size of prepositioned stocks in Europe. In addition, a fundamental cutback in the U.S. military presence in Europe would sharply increase the distance of the most closely deployed U.S. forces to Israel and the Middle East. The timing of any American intervention in this region, should it be decided upon, would be entirely altered.

For these reasons, should the peace process move in such a direction that American guarantees or force-presence in the territories are considered a means of widening Israel's security margin, America's post-Cold War capabilities of defending Israel will have to be critically examined and compared with its recent Cold War global posture. It is probable that, with a far reduced military establishment and a greater indifference about Third World conflict, no Israeli government will substitute the IDF's defence of Israel's eastern front with an American security presence.

In a related matter, the Soviet Union is proposing naval arms control, which at present the Bush administration is resisting. But should the Sixth Fleet be diminished some day as part of a new U.S.-Soviet understanding, Israel's security considerations would be altered.

Clearly the accelerated U.S.-Soviet understandings in Europe are leading to a fundamental change in the basic security environment that has accompanied the State of Israel since its creation. While a full modification of that environment may take years to be implemented, some thoughts about where some recent trends might be heading can help avert sudden surprises.

Iraq Military Industries Minister on ACC Arms Cooperation

*90OA0130A Cairo AKHIR SA'AH
in Arabic 15 Nov 89 p 10*

[Interview with Major General Husayn Kamil Hasan by Suhayr al-Husayni: "Egyptian Military Industry Sophisticated; Our Policy Is Industrial Integration; Our Goal Is Arab Common Market"; first three paragraphs are AKHIR SA'AH introduction; date and place not specified]

[Excerpts] The Arab Cooperation Council [ACC] experiment among Egypt, Iraq, Jordan, and Yemen is becoming more deeply rooted day after day. Indeed, it is an important step in Arab, national, and economic planning in view of it being a major national necessity long awaited by the Arab people.

With these decisive and candid words full of enthusiasm and optimism, Major General Husayn Kamil Hasan, Iraqi minister of industry and military industrialization, began his interview with AKHIR SA'AH, which dealt with ACC economic reality and future developments in the field of industrial and military cooperation among ACC countries, stating that industrial coordination must be accomplished through industrial integration among ACC countries and not through duplication.

About possible cooperation in military industrialization with the ACC through the Egyptian Arab Organization for Industrialization [AOI], he stressed that no decisions have been made regarding the method of military cooperation among ACC countries, but nonetheless, Egypt has great military industrialization capabilities to meet the needs of all ACC countries. [passage omitted]

[AKHIR SA'AH] How can coordination in the field of civilian and military industries be accomplished?

[Hasan] Cooperation in the industrial sector is a wide-open field, as evidenced by the following examples:

- Designation of certain products for export to ACC countries.
- Adoption of the principle of industrial coordination among ACC countries, whereby a country may specialize in the manufacture of commodities in which it is a leader. [passage omitted]

We ought to focus on another industry in which Iraq is a leader and which is needed by other ACC countries by raising our production to meet these needs. This is what integration is all about. Cooperation means that we should avoid duplication and focus on industrial integration. This is one of the most important principles which we are concentrating on within the ACC, noting that we do not mean to undercut ACC industries, but rather to make the best use of the capabilities and energies the ACC countries have to offer. [passage omitted]

Arab Industrial Organization

[AKHIR SA'AH] As minister of military industrialization, do you envision the possibility of cooperation in the field of military industrialization through the Egyptian AOI?

[Hasan] Cooperation in the field of military industrialization does not have to be through the AOI. The ACC has not yet issued a decision on the mode of cooperation in this field, but when it does we will abide by the decision. Nevertheless, by cooperating and coordinating with one another, we have discovered that Egypt has a great capability to manufacture many weapons Iraq needs, and we are actually buying these weapons, as are our brothers in Jordan and Yemen. The same thing goes for the rest of the ACC countries.

We must also search for marketing links among the Military Cooperation Council [MCC] countries, because the military industry is inherently different from the civilian industries. Likewise, in setting up arms factories, we must take into account the geographic location: the best geographic and strategic site that can secure the element of safety. Furthermore, the arms industry is marked by specialization, for it covers many fields: artillery, missiles, aviation, etc. We must identify the deficiencies of each ACC country to determine which of these countries has the capabilities to set up an industry to make up for these deficiencies, and the rest of the ACC countries would then buy the factory's products. It does not matter where the factory is located: in Jordan, Egypt, Yemen or Iraq. Otherwise, many of our efforts and much of our money will go for naught, particularly since our general economy is not big and, therefore, it is imperative to implement these projects that serve the public interest. Naturally, in talking about ACC countries, we must not burn our bridges with all other Arab countries. [passage omitted]

[AKHIR SA'AH] What are Iraq's main industrial imports from and exports to Egypt?

[Hasan] We import Egyptian arms, aluminum and leather and export cement, sulfur and dates. This trade exchange and cooperation has been going on for 3 years and is growing and expanding with time. We also have trade relations with Jordan and Yemen and, therefore, I am indeed optimistic about the establishment of this council, which has the potential to realize greater economic results than the European Common Market [ECM]. [passage omitted]

A look at the ECM shows that these countries are not in total agreement politically. Each of them has its own peculiarities and special relations. We in the ACC have more understanding and rapprochement among ourselves than they do. Therefore, there is nothing to worry about, for we are in agreement on the national level and have the same dear Arab interests. [passage omitted]

[AKHIR SA'AH] A large number of economic blocs are being formed throughout the world. Is it possible that the ACC is the beginning of an Arab common market?

[Hasan] Our current goal in the ACC is to arrive at an Arab common market. Indeed, the Arab League was recently commissioned to study the possibility of cooperation among larger Arab groupings such as the ACC, the GCC [Gulf Cooperation Council], and the Maghreb Cooperation Council. All these are positive steps toward the establishment of an Arab common market. This is the reason why we in the ACC do not speak of a future detached from the rest of the Arab countries, for we are linked to the Arab world and we affect and are affected by what goes on around us.

With respect to Iraq, I believe that our relations with various Arab countries have never been better. Iraq maintains good relations with the Arab east, the Arab west, the GCC countries, and the Arab Peninsula, save for Syria, with which we have bad relations. I believe that this situation is not only true of Iraq, but of all other countries as well. [passage omitted]

[AKHIR SA'AH] What management wisdom do you employ in running the ministry, given the fact that the Ministry of Industry includes military industrialization, electricity and petrochemicals?

[Hasan] We employ the policy of reward and punishment. We honor those who perform and fire those who do not. We have also given the factories the freedom to manage their affairs, and the ministry steps in only when it sees a problem. The factories operate with absolute freedom as though the ministry does not exist, even though they follow a plan and a specific agenda. I receive daily reports on the activities of every unit.

This allows one to determine every morning what factories fail to meet their production goals. This is when the ministry gets involved by trying to find the reason for the failure. If the matter can be remedied, that is the end of that, but if it cannot be resolved, the ministry steps in the following day. That is why we do not have a backlog or losses. We have made maximum use of the lessons we learned from the war and have become fully aware of the value of time.

As a consequence, the military industry, as of 1987, has grown more than 20-fold. The war helped us discover our needs as well as our weak and strong points. We began working to eliminate our weaknesses and enhance our strengths to make up for what we missed during the war years.

AL-AHRAR Claims 'Israeli Plotting' Against Egypt's Economy

900A0181B Cairo AL-AHRAR in Arabic 20 Nov 89 p 1

[Article by 'Imad Nasif: "Israeli Plot To Strike Egypt's Economy; Counterfeit Dollars Circulated and Bad Fertilizer Smuggled"]

[Text] A security report reveals the existence of an Israeli plot to strike Egypt's economy and to turn cultivable land into fallow land!

The report exposes three axes of the Israeli plot to strike our economy. The first axis is embodied in siphoning the country's hard currency into Israel by way of drug dealers who deal indirectly with an Israeli network specializing in this area.

The second axis is embodied in circulating counterfeit hard currency in our country to shake the trust of foreign economic firms and institutions dealing with their Egyptian counterparts. This is done by way of agents who hide behind imaginary names and tourism and investment companies which were exposed recently.

The report notes that the most serious axis of the Israeli plot is embodied in the introduction into Egypt of internationally-prohibited chemical fertilizer to damage our cultivable land. This fertilizer has actually been smuggled into the country by way of agricultural cooperatives and pesticide and fertilizer merchants. The security agencies have been able to seize 300 tons of these fertilizers. This quantity is enough, the experts assert, to damage all cultivable land.

A security source has stated that since this plot was exposed, the security agencies have been watching the individuals and firms dealing with Israeli firms under the table.

Politics Said Limiting Israeli-Egyptian Trade

90OL0126A Tel Aviv DAVAR in Hebrew 11 Oct 89 p 5

[Interview with 'Uzi Netan'el, director general of Rugozin Industries, by Ora Zranitzky: "Israeli Businesses in Egypt"; first paragraph is introduction]

[Text] A short time ago, under the aegis of the organization of industrialists, a delegation of industrialists and companies involved in Israeli-Egyptian economic relations, including representatives of "Agridav," "Kur Sahar," "Haifa Chemicals," "Netafim," and "Mash'avot Sela," headed by 'Uzi Netan'el, director general of "Rugozin Industries," and the first economics and trade advisor for Israel in Egypt during 1980-1981, left for Egypt. The invitation for the visit was initiated by the Egyptians under the aegis of the deputy prime minister of Egypt and its minister of agriculture, Dr Yusuf Wali.

[DAVAR] What is the current situation with regard to trade with Egypt and what kind of scope are we talking about?

[Netan'el] "If you are thinking of direct trade, Israeli exports to Egypt in 1988 were very limited, a total of something over \$6 million. Imports from there to Israel amount to only about \$3 million. These data do not take into account purchases by Israel of oil from Egypt amounting to hundreds of millions of dollars which are

tied separately to the peace agreement. These figures also do not include tourism in the form of limited visits of Egyptians in Israel.

"As in the past, there also exists a fairly extensive trade whose scope is difficult to measure and is carried out indirectly through another country which serves as a middleman. One can guess that it is much greater than official trade."

[DAVAR] How much trade are we talking about?

[Netan'el] "First of all, we are talking about agricultural products and equipment, food products, chemicals, veterinary products (medicine for animals). There is also the potential for a wider market for other things like metal, textiles, rubber, and their products."

[DAVAR] Have there been developments and changes in trade relations in the last decade?

[Netan'el] "If there have been changes, they have not necessarily been positive because the change that has occurred with regard to the extent of trade and its variety has been very small. The extent of trade at the beginning of this decade was about \$10 million, a large part of which consisted of food products like fruit, eggs, and caviar. These purchases stopped over time because Egypt refused to continue with them.

"At first, the Egyptians saw the existence of Israeli fruit in their markets as a problem, but, more recently, we assume that the main reason is surpluses that the Egyptians have of the same kind of fruits that they were buying from Israel. In purely industrial areas, activity has always been nonexistent and is still so today. One must be clear that the fact is that trade at present is at a very low level. For now, apart from the tie with government and public forces like the Ministry of Agriculture and public companies connected with it, there is actually no connection and no possibility of mutual trade through the public sector in Egypt with the big companies and businesses which represent the lion's share of the Egyptian economy."

[DAVAR] Why?

[Netan'el] "The reason has been political and remains political. There is no question that when the government gives the green light to these companies to trade with Israel, meaning of course imports and exports, many businesses which are now not allowed will be able to get rolling in a very short time."

[DAVAR] Apart from politics, aren't there any bureaucratic and other blocks in the way of mutual trade?

[Netan'el] "I hope that in the past decade in which we have had peaceful relations with Egypt, each side has come to understand the mentality of the other, to some extent if not completely. It seems to me that if the political barrier were lowered, it would not mean that suddenly all kinds of trade and business would be developed amounting to hundreds of millions of dollars.

It is, after all, hard to take shortcuts towards understanding and breaking down existing barriers between nations. The Egyptians are always emphasizing the importance of taking one step at a time rather than a giant leap to assure that, after increasing the scope and depth of our relations, they will rest on a solid foundation.

"Bureaucracy exists in both countries, and much will have to be done to prevent it from interfering with the potential development of economic relations between the two countries."

[DAVAR] What was the goal of the delegation?

[Netan'el "This was the first official delegation of the organization of industrialists which included business people from various areas, especially those connected with agriculture. In Cairo, the delegation met with Egyptian business people in an organized way under the aegis of the Ministry of Agriculture. The mutual and declared desire was to establish the first step in a system of relations between business people from Israel and Egypt. This was only possible due to the encouragement and support of a senior government and public personality in Egypt like Dr Yusuf Wali, whose public and personal standing in Egypt is very high. The talks that took place between the two sides were held in the Agriculture Ministry with the full involvement of the minister and his senior staff."

Apart from the signing of the agreement of cooperation, whose importance is great from the point of view of its principle, it was decided to establish a permanent staff consisting of two Egyptians and two Israelis. On the Israeli side, 'Uzi Netan'el and Eli Leniado were appointed, and it was agreed that the joint staff would deal with specific subjects that might come up over time and try to solve the problems and avert the obstacles with the support of both governments. It was already agreed that an Egyptian delegation of business people would visit Israel this December or, at the latest, in January 1990. The existence of such a visit of an official delegation of business people will certainly attest to the serious intentions of Egypt, and things will begin to happen.

[DAVAR] Why does indirect trade still go on despite the existence of direct diplomatic relations?

[Netan'el] "Following the agreements signed after the peace accord known as 'normalization agreements,' the green light was never given to the Egyptian public economy to develop businesses and establish direct trade with companies in Israel, not to mention the development of plans for joint operations and Israeli investments in Egypt. The absence of direct ties with most of the important part of the Egyptian economy, coupled with the desire to carry on trade in areas that seemed to Israeli entrepreneurs to be possible and appropriate, led to the creation of businesses with Europeans acting as the visible representatives of the Israeli supplier.

"The existence of such mediating factors created a situation in which the main profits went to the mediators while the Israeli supplier received a pittance and the Egyptian client did not benefit and did not pay a lower price. One of the main things presented in the discussions in Egypt was that it is of mutual benefit to Israeli and Egyptian business people to cut out the extra middleman and to develop direct relations between the two sides."

Libyans Charge Egypt With Customs Delays, Mistreatment

90OA0181A Cairo AL-WAFD in Arabic 6 Dec 89 p 8

[Article by 'Abd-al-Nasir al-Talkhawi: "Six Months After Egyptian-Libyan Borders Were Reopened, Customs, Passports, Traffic Bureaucracy Pursue Travelers"]

[Text] Matruh—The number of caravans arriving in Egypt has doubled since the borders between the two countries were reopened. The purposes of the visits are varied. There are those who have come for treatment at Egyptian hospitals, those who have come as tourists, and those who have come to visit kinsmen and relatives or for business purposes. Simultaneously, increasing numbers of Egyptians have been passing through al-Sallum customs station to go to work in Libya. The station handles more than 5,000 passengers and 500 public transport and private vehicles daily. However, the hateful Egyptian bureaucracy ruins everything in our life and obstructs any positive movement serving the interest of our country and of the sisterly Arab countries.

Recently, Libyan brothers arriving from Libya to al-Sallum have been complaining increasingly about the mistreatment they receive at the hands of customs officials during customs procedures, which last more than 5 hours.

Hamidah al-Mukhtar, a Libyan physician, said: "We come to Egypt with great eagerness to visit the country and see its people. For the purpose, we endure the hardship of traveling hundreds of kilometers by car. It takes no more than 2 hours to travel all this distance. But at the al-Sallum customs station, more than 5 hours are unjustifiably needed to complete the customs procedures. We urge the Egyptian brothers to have mercy on us at the customs, passport, and other offices, so that we may not be frustrated and annoyed before we start our visit to our second country, Egypt."

Mabruk al-Majarrati, a Libyan, said: "The first thing we encounter upon entering sisterly Egypt are the regrettable passport procedures followed by the officials at the al-Sallum customs station. They treat us as if we were foreigners and not Muslim Arabs. Moreover, we are neighbors and we are tied by blood and marriage."

Miftah Idris, a Libyan merchant, added, "You should know that a change of shift among al-Sallum customs officials takes more than 3 hours to complete. This is astonishing, amazing!" Idris wondered: "What sin have

we committed to endure this, especially since we arrive exhausted by the trip and accompanied by children and old people?"

In a related development, the al-Sallum town council has decided to light the al-Sallum entrance 24 hours a day and to provide the town with 3 train tankers that carry 2,000 tons of water, which is enough to meet the needs of town residents and visitors, who have risen from 9,000 to 30,000.

Even though Libyans coming to Egypt and Egyptians heading for Libya follow various routes, minibus, and taxicab owners and drivers generally complain of the arbitrary procedures at all the exits. The bureaucracy of the Egyptian traffic department obstructs the fleets of minibuses and the project of transporting citizens.

Al-Qadhdhafi Discusses Treaty, Arab Role in Supporting Army
90OA0151B Cairo AL-SHA'B
in Arabic 21 Nov 89 p 2

[Article: "Development of Sudanese Army, a National Task"]

[Text] Arab sources have disclosed details of the talks conducted by the Sudanese delegation, which recently visited Tripoli and met with Libyan leader Mu'ammar al-Qadhdhafi. Al-Qadhdhafi explained in detail the stipulations of the National Treaty for Political Forces, which al-Qadhdhafi described as tantamount to a true wish by the government of Sudan to establish total peace on Sudanese territory.

Colonel al-Qadhdhafi condemned the African and foreign plots, aimed against Sudanese stability. He described these conspiracies as "suspicious attempts," whose objective was to bless the state of instability in Africa and directly threaten Arab national security.

Col al-Qadhdhafi strongly expressed the need for Sudanese unity and agreement on national goals. He stressed that the task of developing the Sudanese army was the responsibility of all Arab states. He rejected offering any concessions to aggression, and said that the peace that the Sudanese government is striving for was an honorable peace, worthy of the dignity of the Sudanese people.

Al-Qadhdhafi pointed out that the Sudanese army needs real support, and that the shortfall in military equipment and requirements was the primary cause of instability in Sudan. He said that the Sudanese army's inability to satisfy its military needs would cause Sudan to be a constant attraction for these foreign plots and intrigues.

The Arab sources emphasized that al-Qadhdhafi promised the Sudanese delegation to instigate contacts with all leaders of the Arab nations about this goal. He indicated that Libya would broach the idea of direct military intervention on behalf of the Sudanese forces against the

southern rebels, so as to compel the rebels to accept peace with the existing Sudanese government.

Editor Praises Iraqi Missile Launch as Entry to Space Age

90OA0181C Cairo AL-AHRAM AL-DUWALI
in Arabic 12 Dec 89 p 10

[Editorial: "Arabs Enter Outerspace Age"]

[Text] The Arabs have entered the space age, thanks to a missile launched by Iraq capable of carrying a satellite into space. Despite all obstacles and shackles, Iraq has succeeded in achieving a scientific accomplishment that compensates it for Israel's destruction of its nuclear reactor.

The great scientific accomplishment made by Iraq is an accomplishment in the name of all the Arab countries—an accomplishment signifying their entering the space age. It is certain that Iraq does not seek to destroy or to sabotage, but to achieve the desired balance with Israel, which possesses satellites and nuclear missiles, to restore to the Arabs their weight and their influence in the space age, to enable them to cross into worlds unknown, and to put them in the ranks of countries capable of possessing the knowledge and the science that prepare them to enter into the 21st century. Considering that this century will be the century of great scientific accomplishments, Iraq has moved us, with its accomplishment, to a world where knowledge and science are superior to the capability that seeks to destroy and sabotage.

Israel has sought to intimidate the Arab world with its nuclear capabilities, with which it has been threatening our peoples. But with Iraq's entry into the space age, this Israeli arrogance will no longer be a cause of further Israeli intimidation of the Arab countries. As long as Iraq works on the basis of employing its scientific capabilities in the service of peace, then there is no justification for the concern the United States has expressed by underlining its fear that missiles will proliferate in the Middle East. Meanwhile, the United States has kept silent on the nuclear cooperation between Israel and the racist government of South Africa.

PALESTINIAN AFFAIRS

Intifadah Leaders Urge Escalation

44230034A Tel Aviv HA'ARETZ
in Hebrew 4 Oct 89 p 2

[Article by Yizhar B'er]

[Text] A special leaflet of the united leadership of the intifadah calling for an escalation of the uprising was distributed yesterday in the territories. This is one of the few times since the beginning of the intifadah that the united leadership has issued a special leaflet outside the framework of the numbered leaflets that are published at set times.

The leaflet refers to two central subjects: the economic punishment in the Gaza Strip and the tax collection operations in the village of Beit Sahur. "The united command stresses that the battle of the plastic cards is a confrontation of all the masses of our people wherever they are, and there is no choice but to win this battle," states the leaflet, in referring to the selective distribution of the plastic cards in the Strip.

The leaflet calls for observance of a general strike this Thursday and Friday, and for declaration of these days as days of rage, protest, and escalation. The residents are called upon to lock up the cities, villages, and refugee camps in the face of the enemy, to fly flags, and to hold ceremonies.

The leaflet, in an extraordinary move, allows a full day of commerce on Saturday (until 5 pm), in order to allow the residents to stock up on food for an additional three consecutive days of striking that were set for Sunday, Monday, and Tuesday next week. The leaflet informs the residents that those days will be an important turning point and escalation of the uprising.

The masses are called upon to go up on the rooftops of the houses every afternoon, and to shout nationalist slogans, "so that our voice will be heard loudly throughout the world, so that it will be made clear to the United Nations that our people have decided to win and that it will never give up its revolution, its intifadah, and its historical rights of return, self-determination, and the establishment of an independent state." The residents are also called upon to go out into the streets collectively in their masses and to create a new situation of rebellion.

Despite the call for an escalation, the leaflet does not contain a demand to take violent or armed actions. All the terms that appear in the leaflet have an emphatic nonviolent character. The directives in the leaflet indicate an attempt to revive the idea of a mass revolt, which dominated in the first stages of the uprising. In recent months, the intifadah has had the character of local clashes of individuals with the army.

Observers judge that the motive for the distribution of the new leaflet in the territories is the desire to create the feeling that there is an escalation in the uprising, as it were. They assert that the leadership of the uprising is trying to create a feeling among the Palestinian public that there is an escalation, in the face of the decline in disturbances and clashes with the IDF [Israel Defense Forces].

"We see a situation in which the residents of the Gaza Strip are tired and in despair from the uprising, and, therefore, as an unprecedented step comes the new leaflet, calling for escalation, strikes, and clashes with the forces of the IDF," they say.

The observers stress that the leaflet tries to create the image that the intifadah is entering a new stage, despite the lack of desire of the residents in general to participate in it.

EGYPT

Industry Minister Discusses Price Controls, Public Sector

900A0142A Cairo AL-AHRAM in Arabic 23 Nov 89 p 7

[Interview with Egyptian Minister of Industry Muhammad 'Abd-al-Wahhab by 'Abd-al-Rahman 'Aqal Ahmad al-Attar: "Public Sector Has Important Role in Achieving Price Balance"; date and place not given]

[Text] [AL-AHRAM] What is the extent of holding companies' intervention in the work of subordinate economic units?

[ABD-AL-WAHHAB] If we wanted, for example, to establish an integrated information system, it is certain that limiting the internal capacity of the system would limit the volume of information which, presumably, would go to each level of the administration, according to the desired level of this administration. The purpose would be to make decisions at a specific time or to monitor at another time. Therefore, we find that this data system, for example, should not send all data to the department or person at the highest level. In this situation, it would be difficult, or rather, not required to send all the information. However, enough volume and type of data must be sent, which this individual or quarter required, and which would assist him in doing his job. The same logic should be applied with regard to holding companies and their economic units. However, that might constitute a need to come up with answers to several questions, including for example, the time period that the holding company wishes to track the economic units. Would the tracking have to be monthly or quarterly? Does the holding company intervene to give approval step by step? Might it also intervene to determine quality level, not only at the final stages, but also at various stages? All of these details must be precisely studied for each circumstance by experts and specialists. However, in my opinion in general, it has to be the holding companies that determine the investment, operation, and accounting policies with regard to each of the economic units. That also includes the appointment or firing of the unit's director, and determining the wage structure and the research and development program.

Determining Activities of Economic Units

[AL-AHRAM] The activity of the public sector has expanded considerably over a number of years. This activity has been forced upon or bequeathed to some economic units, whose nature or type of production does not mesh with the role desired for this sector. You announced last summer that there was some thinking about reducing certain activities, or the number of production units in the sector. What is the position now with regard to that possibility?

[ABD-AL-WAHHAB] In my view, the best way to carry out these policies is the new system proposed for holding

companies. Certainly the holding company must have the capability, freedom, and authority to make decisions pertaining to activities that it sees, as a company, hindering its progress. For example, if one of a holding company's units makes furniture, in addition to other activities, such as manufacturing lumber, the holding company might see that furniture production by this unit was inappropriate from the economic standpoint. Consequently, the company might decide to stop this unit from the activity of manufacturing furniture, so that it could continue its other activities, such as producing lumber, so long as that was best from the economic standpoint.

Dominant Role for the State

[AL-AHRAM] Some people think that the public sector has an important role in achieving price balance in the marketplace. The sector's production of certain commodities, even if they were nonstrategic or nonessential, could share in having certain other quarters not monopolize the production of these goods and, consequently, to a considerable degree, control the prices of these goods. This could do away with big jumps in their prices. Large increases could occur if the public sector refrains from producing these goods, and other quarters monopolize their production. To what extent is this true?

[ABD-AL-WAHHAB] The public sector does in fact have a big role in achieving price balance in the market, especially with regard to goods that are produced in large quantities. Or rather, there are certain goods that this sector produces in limited quantities, such as aluminum household implements, whose price is considered an indicator of the prices of similar implements on the market. However, despite the important role of the public sector currently in achieving price balance, there has to be an alternative to this public sector role. The alternative here is the dominant role of the state. The state, despite its encouragement of the private sector, freedom of economic performance, and freedom of pricing with regard to the private sector, must never neglect monitoring prices, and must be certain that the price that dominates the market is the fair price for all the various parties. If we do not feel that this role is enough, we should resort to complementary methods, including the present role of the public sector in achieving price balance. For example, if there is a rise in the price of a certain commodity that has not been caused by an emergency circumstance in the Egyptian market, then in our view this is a misstep, and the state cannot relinquish its role in the event a monopoly occurs. Also, with regard to basic commodities such as thread for example, we cannot stop pricing thread. Pricing in this case must be appropriate and not detrimental; therefore, we monitor its price and make sure that there is no speculation. If we guarantee distribution of thread as appropriate, and at set prices, we can leave competition in the market among those who produce goods that use thread in their manufacture, such as textiles for example. The situation is the same as well with regard to other basic commodities, such as iron,

steel, and aluminum. This is not only the case with us, but also the United States has intervened in the case of steel, at a time when the steel industry, as well as the auto industry, were threatened. At that time, the American president considered that to be an economic threat to the entire security of the United States, so he intervened.

Prices of Industrial Production

[AL-AHRAM] There is price control with regard to the public sector, but with regard to the private sector in general, there is no state control over prices. If an unjustifiably large price increase occurred with regard to certain goods by some quarters in the private sector, could that be countered?

[ABD-AL-WAHHAB] The law gives the Minister of Industry responsibility to monitor the prices of industrial products, and does not specify whether they should be products of the public or private sector. Moreover, the Agency of Industrial Control has an integrated sector to audit industrial costs on a continual basis. However, in view of numerous objectives and priorities, including encouragement of the private sector, we do not want to intervene adversely. But, in some cases it happens, when we find that the price of a specific item has risen considerably with regard to the production in one segment of the private sector. Industry experts then go to the plant producing that item and audit the costs. Those in the private sector who have some awareness welcome that. They want to clear themselves with regard to what some say about the role of the private sector in raising prices and, consequently, they need someone to support them and say that this is not true, to say that if an increase occurs, it is the result of a rise in production costs. As for some others in the private sector, they might be highly sensitive over that, if an industry expert came to them for the purpose of auditing costs and not price fixing. We do not issue orders setting prices for the private sector, but we do monitor prices.

[AL-AHRAM] What is the thinking with regard to the public sector selling off some of its units that produce nonessential goods which the private sector currently produces in large quantities and at appropriate prices? The public sector could profit from the sale of these units to finance the public sector's requirements with regard to other industries producing basic or strategic commodities.

[ABD-AL-WAHHAB] This matter requires examining several economic dimensions. If it is one of the successful units producing a nonessential item, the holding company might be profiting from it and might keep it as a successful economic entity. It could be achieving strong profits and helping the holding company to meet obstacles it might be encountering with regard to certain other units. But if the holding company is thinking about establishing another project, and that sale was one of the financing options, then it could sell that unit. The holding company must study that from an economic standpoint. If it was able to finance this project from

bonds, at a fiscal cost less than the returns from that unit, it should not sell that unit. All of these factors must be left to the holding company to make the decision itself in light of economic considerations.

Financing Investments: One of the Main Issues

[AL-AHRAM] Financing is one of the most important issues concerning the public industrial sector. Achieving growth in this sector is tied to a considerable extent to the availability of financing required to implement its goals. Moreover, the banks look for clients in order to offer loans. It is possible for several banks to finance production projects. What are your ideas with regard to the issue of financing?

[ABD-AL-WAHAB] Financing investments is one of the public industrial sector's main issues at the present time. It is currently done through self-financing or through the Industrial Bank. There are several angles to this matter. Should the financing also be done through bonds issued by the company? The law permits that now, but in general this has not been done, because there might be a better source than that. Should the financing also be done through increasing capital in the form of stocks? For example, they could be offered for bid to employees. There are several ways at present to participate in public sector companies: total governmental shareholding, governmental and public sector shareholding, or governmental shareholding with private sector and public sector participation. If we wish to increase capital with regard to existing companies, the applicable law in the public sector, as well as in any other quarter or sector, is the Law of Companies, which stipulates at the outset that existing stockholders must be given the right to purchase new shares. If that does not cover the issue completely, the rest of the shares are offered for public subscription. With regard to public sector companies in the majority of cases, the opportunity for public subscription is minimal. In some of the successful public sector companies, in general when new stock is offered, the new shares are covered immediately by the existing stockholders.

Discussion of Expanding Stockholding Base

[AL-AHRAM] Is this not intervention here? Leaving a group of shares to new stockholders, in order to expand the base of ownership as a philosophy and a goal.... We recall that when the Bank of Egypt offered shares to increase capital, in order to develop exports, the stock was covered by individuals and bank employees within 48 hours. The existing stockholders, who were from the public sector, did not waive subscription with regard to the new stock; except that in one out of four banks, they own the capital.

[ABD-AL-WAHAB] This might be considered intervention in the administration of companies. If you asked a holding company not to get into increasing new capital—through new shares—for one of its subordinate units, that company might think that the purchase of

new stock was within its rights, and in its best economic interests. A question might be raised, that if the freedom was to serve the private sector, then this was appropriate, and if the freedom was cancelled for the sake of the private sector, then that would also be appropriate. The issue of freedom is indivisible, but the political role, and the achievement of growth, might be incentive for the organization, which includes holding companies. This is a goal, to expand the base of stockholders, but it is not done in every case alone.

Authority Regarding Administration, Practises, and Customs

[AL-AHRAM] Administration has a principal role in achieving this development, but there is an opinion that holds that more authority and freedom should be granted to administration in the public sector. What is your thinking with regard to this issue?

[ABD-AL-WAHAB] There are some who are responsible for running the companies who think that they work under limitations that restrict their initiative. In my opinion, the great majority of these restrictions have been eliminated. In general, these limitations are not in regulations and legislation, but in practises and customs, that is, they result from weakness within the administrative body itself. Practises and customs vary from one company to another. If we look for disparity of practises and customs from one company to another, we will see to the same extent success or failure. This is not a defense of Law No. 48; it certainly should be changed. Undoubtedly, there are many specific regulations for workers in holding companies, or rather, they are more specific within the economic units subordinate to these companies. In general, this will not give more authority to the director, but it will make that unit more homogenous. Even if there are some small details with regard to certain administrative responsibilities that require amending, these restrictions will not affect the competent director. The holding companies must be the ones to prepare regulations for their employees, as well as for those in the subordinate economic units, in light of their undeviating goals, including production indicators. Certainly the company must make sure that indicators of the income of workers in the economic units are tied to the performance of those workers.

Labor Minister Says Salaries To Incorporate Bonus

90OA0098C Cairo AL-WAFD in Arabic 1 Nov 89 p 1

[Article by Muhammad 'Abd-al-'Alim]

[Text] Ahmad al-'Amawi, head of the workers' union, confirmed that the new changes in the laws pertaining to state and public sector workers would not be applied before the next fiscal year, because funds had to be allocated for them in the state's general budget, which begins next July. Al-'Amawi explained in an exclusive statement to AL-WAFD that the prime minister, Dr 'Atif Sidqi, has promised to incorporate the social bonuses

into the salaries as of next January. The head of the workers' union refused to discuss the new changes with a delegation from the International Monetary Fund, and he confirmed that government would not allow the fund's delegation to discuss this subject. Al-'Amawi mentioned that the workers' union has so far not been informed of the final form of the changes to the laws on state and public sector workers.

Moreover, the union has not announced its final view of the new changes, and it announced that so far the government is still studying how to arrange for the funding needed for the changes. Ahmad al-'Amawi demanded that the periodic bonuses of some segments of workers in the private sector be reviewed so as to match the bonuses of workers in the government and the public sector.

Administrators' Conference Offers Economic Solutions

90OA0182A Cairo ROSE AL-YUSUF
in Arabic 20 Nov 89 pp 16-18, 73

[Article by Mahmud al-Maraghi: "Economic Intellectual Dr Ibrahim Hilmi 'Abd-al-Rahman: Beware, There Is Conspiracy of Silence"]

[Text] Beware, there is a conspiracy of silence in Egypt. Nobody wants to talk about the future. Nobody wants to compare what is happening in Egypt with what is happening abroad. We don't want to talk about the intellectual earthquakes shaking the socialist societies of Europe. We almost never talk about the political price we pay, whether actual or expected, for the aid we get from abroad which needs to be continued for many years to come. We also fail to talk about the negative consequences of the growing unemployment, of inflation, of low wages, of luxury spending, and of the insanely excessive and provocative spending in numerous positions."

The above are the words of Dr Ibrahim Hilmi 'Abd-al-Rahman, an international expert, a former minister of planning, and the prime minister's adviser for several years.

The site is the conference on "Managing Development and Confronting Crises" which was held last week by the League of Graduates of the National Institute for Upper Management. [passage omitted]

Industry Minister Muhammad 'Abd-al-Wahhab agrees with ministers 'Abd-al-Wahhab al-Bishri and Fu'ad Abu-Zughlah that despite all the problems, the picture in industry is better. But, as Engineer Abu-Zughlah says, we must acknowledge that under the umbrella of the open-door policy, Egypt has consumed most of its resources to import consumer goods and to set up projects that turn out consumer goods. [passage omitted]

So what should we do?

The opinions differ, ranging from a comprehensive proposal to a partial proposal. One conferee proposes "abolishing the minister's office and restoring the position of the ministry secretary general who gathers all the loose ends." Another proposes abolishing the Ministry of Planning and keeping the Planning Committee only. A third conferee proposes amending the agrarian reform law and reconsidering the landlord-tenant relationship, which was unfair to the tenant in the past and is unfair to the landlord now. "Some conferees pause before certain sectors. Industry Minister Engineer Muhammad 'Abd-al-Wahhab demands a greater degree of industrialization "because muscles alone are not enough." By an increasing degree, we must enter the phase of innovation and of the production of equipment and machinery, instead of relying on the outside world. The minister also demands that the issue of liberating the public sector be settled by transforming the public authorities into holding companies. [passage omitted]

On the other hand, agronomists offer their opinions. Dr Husni Hafiz believes that the current water situation permits the reclamation of 150,000 feddans annually and that agriculture's yield and self-reliance can be enhanced with a different crop structure that increases cotton production and the production of food for human and livestock consumption by devoting attention to land productivity and worker productivity.

Is this enough?

Many believe that partial solutions are useless. Dr Rashad al-Safti, the Planning Ministry first undersecretary, emphasizes this view and believes that even though we need temporary or urgent solutions at times, what is more important is a strategy or a comprehensive perspective and general framework. This framework points out the mutual effects between problems and sectors. Food is not just an agricultural issue but an agro-industrial issue connected with trade and consumption. The Planning Ministry undersecretary proposes several approaches simultaneously: An organizational approach that tidies up affairs and distributes the roles among the authorities, institutions, public sector, and private sector, as well as a manpower development approach, economic development approach, and social development approach, all according to agreed phases.

Dr Raja' 'Abd-al-Rasul says: "There is intellectual confusion. Our approach to problems is partial, not fundamental. The problem of food security will not be solved just by reclaiming desert lands for cultivation. The small industries are not enough to counter the unemployment problem. The consuming village will not again become a productive village without effort. What is needed is a comprehensive plan, a national project."

Regarding the national project, Dr Ibrahim Hilmi 'Abd-al-Rahman talks of moving from the conspiracy of silence and breaking away from the circle of despair to the circle of hope and work. Al-Sayyid Yasin, director of AL-AHRAM's Strategic Studies Center, speaks of "the

crisis of the political rhetoric in Egypt," saying that the liberal rhetoric failed before the revolution, the revolutionary rhetoric ended in 1967, and the religious tendency and the capitalist aggrandization of the few have grown under the umbrella of the counterrevolutionary rhetoric. Now, we have "ideological chaos and political confusion. We have no national consensus on a fundamental issue, namely the nature of government and the type of political system. Whereas many cling to the secular state and its political and economic ramifications, many others raise the issue of the religious state."

Opinions abound within the hall, and a coordinated team leads the attack on the public sector and on state intervention: Tourism Minister Fu'ad Sultan; Dr Sa'id al-Najjar, who has spent most of his life in the World Bank and in international organizations; and Jerome Labits [as published], the U.S. AID representative. The tourism minister tries to back up his opinion by pointing out the public sector's failure, excluding the successful segments—banks, the canal, and petroleum—and the U.S. lecturer reviews the experience of others who have listened to and obeyed the IMF's prescription, thus achieving success. Dr al-Najjar enters the fray, listing the indicators of the crisis and attributing them to government intervention, considering that the system continues to be a mixture of intervention and freedom.

To them, the solution is, of course, to diminish the public sector, as they say, to rely on the private sector, and to give the pricing agency a free hand to control the pace of production, consumption, import, and export. [passage omitted]

Husni Amin, undersecretary of the Development Ministry, responds by reviewing the development experience, inviting the private sector to contribute to the new cities and the type of industries there, which are beneficial but small. Amin also expressed concern that many will abandon their projects when the tax-exemption period is over.

Industrialists and planners stand on the same side, saying: We are for intervention and a guided economy, but this does not mean that bureaucracy should dominate or that the public sector should strain under governmental shackles. It is necessary to develop management, but this issue is different from the issue of ownership.

The debate persists. The first team demands the abolition of planning and its transformation into "Thatcherism," i.e. non-binding planning, while the others defend the need to manage resources because the alternative is economic chaos. In a country where the resources are few, the government must intervene to insure proper use of these resources. "When we opted for the socialist path," adds al-Sayyid Yasin, "we did so out of the need for social justice. The free economy supporters ruin this." [passage omitted]

Who Will Hang the Bell?

After 4 days of dialogue, the picture seems to be clear. We are "drowned in the problems of the hour." The solutions are tantamount to "first aid." There is no time to consider the future. How can we break from this infernal circle which Dr Ibrahim Hilmi 'Abd-al-Rahman calls the "conspiracy of silence?"

Dr Halwadah proposes the creation of a national development team and sectorial development teams. Dr Najib Iskandar, an ex-chairman of the National Institute's Executive Board, proposes that the Graduates League itself, which has 25 years of experience under its belt, formulate this vast national project—the project for the future. Others assert that the issue is not a purely technical issue so that experts alone may work on it. It is the issue of political choice. Therefore, the parties must have freedom and must offer their opinions in order that we may agree on a degree of common policies.

The strange thing is that when we presented this idea in the conference lobbies and during the conference recesses, the guided economy supporters accepted it and the free economy supporters rejected it, saying: Is this reasonable?

However, the continuing issue is that we need a comprehensive vision on which we all agree and over which leftist and rightist opinions compromise. Will this concept be the concept of a mixed economy?

The issue needs to be discussed and the question is: Who will hang the bell?

Bank Official Suggests Measures for Struggling Companies

90OA0109A London AL-HAWADITH
in Arabic 3 Nov 89 pp 46-47

[Interview with Mahmud 'Abd-al-'Aziz, vice president of the National Bank of Egypt: "A Supreme Bailout Commission: An Attempt To Rescue Faltering Companies in Egypt"; first nine paragraphs are AL-HAWADITH introduction; date and place not given]

[Excerpts] The Egyptian government is greatly concerned at present over the problem of faltering companies. It formed a supreme commission, chaired by Dr Kamal al-Janazuri, deputy prime minister and minister of planning, to study the problem, determine its causes, and devise suitable solutions to put those companies back on their feet.

The commission began by gathering data on the troubled companies. Every bank in Egypt submitted to the central bank dossiers on companies they financed that are now facing difficulties. The banks also suggested a course of action for each individual company. A comprehensive study of those companies was then made, pinpointing indicating the reasons for and proposed solutions to their problems.

The reasons for the difficulties were varied. The solutions proposed were many. The problem has its roots in the recent past when many banks rushed to finance several joint investment projects. That rush led to the failure of certain startups.

What's the story of those companies? What do bankers suggest in face of the problem? It may be said, in short, that an amalgam of internal and external factors has undermined the efficacy of funded startups and caused their troubles. The internal factors go back to the very beginning as the startups neglected to closely heed relevant technical and economic feasibility studies. [passage omitted]

Imbalances were frequently aggravated by excessive borrowing and flawed development decision that did not differentiate between short-term credit for investment costs and investment financing loans. Moreover, most credit-issuing banks did so on the basis of fragile guarantees rather than of feasibility studies. This helped aggravate the problem and rendered it more difficult to solve.

It is estimated that some 80 troubled companies are unable to repay bank loans totalling more than 4 billion pounds and dollars. [as published]

External factors that impacted those companies have to do with exchange control regulations. [passage omitted]

AL-HAWADITH interviewed Mahmud 'Abd-al-'Aziz, vice president of the National Bank of Egypt—a specialist banker who recently sat on many committees at long meetings to study the problem. He is a regular contributor to economic symposia on the subject.

Mahmud 'Abd-al-'Aziz says that many investment projects started up in the past on the wrong foot, having been undercapitalized relative to investment costs. They resorted to borrowing from the banking system in order to balance the gap between paid capital and investment costs. Some startups borrowed as much as 75 percent of investment costs, leading to imbalances in the funding system and to increased financial obligations in the form of debt interest and installment repayments beyond the ability of those borrowers. Certain companies within the funding system itself experienced imbalances among schedules, resource costs, and how the projects put the funds to work.

[AL-HAWADITH] To what do you attribute the instability of those troubled companies?

['Abd-al-'Aziz] Constantly changing regulations governing economic activity in previous years. For instance, multitiered exchange rates and other monetary controls had a lot to do with spreading instability by impacting on startups and rendering them unable to secure the foreign exchange needed to fulfil obligations and procure factors of production.

The lack of coordination between import and production policies also contributed to the situation, as did

government price controls. This subjected certain products to arbitrary pricing that ignored such fundamental factors of production variables as labor and energy as well as production and operational requirements. Companies were obliged to sell at less than cost, causing severe losses.

[AL-HAWADITH] Are the managements of troubled companies responsible for their troubles?

['Abd-al-'Aziz] Most problems facing troubled companies are frequently due to the lack of efficient management and specialized technicians. The increase in technologically advanced projects has created an acute demand for specialist managers at a time when the economic community was not convinced, or prepared, to supply them. Many companies, it was noticed, were haphazardly and randomly managed without use of scientific management techniques. [passage omitted]

[AL-HAWADITH] What solutions are proposed to the problem of funding companies and startups?

['Abd-al-'Aziz] The situation requires cooperation by all agencies which must closely work with banks in order to achieve the positive economic objectives of investment. The steps needed can be summarized as follows:

- A climate of confidence must be created in the economic community as a whole and between bankers and their customers in particular. Agreement must be reached to sustain public policy for a minimum period of medium-length (5 years).
- It must be recognized that a decision based on estimates and forecasts necessarily runs the risk of failure and that decisionmakers are entitled to support regardless of the outcome of their decisions. Deferred action, or the total lack of it, could be lot riskier than a decision that is less than perfect. Honest workers everywhere should be assured against the hazards of diligence and initiative.
- Supplying all levels of specialized management cadres and keeping bureaucracy in check by reducing paperwork and guaranteeing fast action.
- Unfettering the public sector by reviewing operational procedures and product pricing policies. Whereas output must be sold at economic prices, those on fixed incomes could be compensated via income increases or subsidies in kind. Subsidies should be applied to the individual not to the product. Wages should also be a function of productivity.
- A new scale should be implemented for incentives and bonuses tied to productivity and hard work. These should never be allowed to turn into fixed wage increases for all workers or to become inalienable rights and gains. In any case, it would make no sense to issue bonuses or incentives to workers of a losing company (as opposed to a company forced to take losses). Bonuses and incentives should be a function of diligence and productivity and should not be

awarded until the workers have fulfilled stated production objectives that were scientifically determined. This would leave workers no alternative but to work hard to increase market acceptance of their product.

[AL-HAWADITH] What role are banks to play in resolving the funding problem?

[‘Abd-al-‘Aziz] [Passage omitted] Doubtless there are projects, hopefully few in number, which are so far gone that they defy treatment at recoverable cost. In such cases the appropriate treatment might be damage control without further expenditures that would add to losses, especially in the case of transitional or quantifiable [as published] companies.

Luckily, most projects with unusual funding problems can be helped on a case by case basis by applying some of the following unorthodox procedures:

- Acknowledge actual net asset value as a basis for accepting additional capital shares. This would require financial restructuring to effect the desired balance.
- Banks are partners with their clients in gain and resolution. They must support them in creating appropriate economic climates by resolving problems that emerge through no fault of the company, such as those triggered by price controls and exchange rate fluctuations.
- Financing costs must be adjusted, temporarily if need be, to ratios comparable to median rates of return for average projects. This could involve the forgiveness of interest previously calculated unrealistically.
- Thinking out loud that transitory and temporary problems, especially under current economic climate and conditions, pose no technical reason for not revitalizing a dying project by injecting it with temporary calculated doses of credit.
- Should a project prove valid after correcting its funding imbalances and providing it with a growth-inducing climate, thought could be given to conditionally freeze part of the original loan and its interest for a specified period of time in order to preserve the company, provided it commits during that period to a reform program in return for book concessions. These funds should not be formally forgiven until management has performed competently and fulfilled its commitments, therefore providing an incentive to forgive said amount at the end of the freeze period.
- The same enlightened approach should be applied to existing dollar debts of successful projects with viable products suitable for supplying local demand or for import substitution. They should be helped with high interest[as published], with efforts to gradually retire their debt with foreign exchange acquired on the free market, and with reducing to the extent possible the interest margins on their foreign currency debts.
- Reducing the costs of commercial loans in line with those of loans to services. Commerce is effectively a

service and an outlet for the distribution of industrial and farm output.

- Banks should investigate the troubled companies they financed with a view to converting a portion of the debt into equity participation on fair terms, provided capital receives adequate guarantees and the opportunity for active participation in management.
- Banks should not rush to take legal action against customers except in cases of fraud. Legal action against troubled startups may hasten their demise.
- Banks, when evaluating projects with funding problems, should differentiate between the problem stage and the start of production [as published]. In other words, settling or rescheduling distressed credit lines should not exclude extending a helping hand and maintaining the funding relationship in a new form once corrective measures begin to bear fruit. Settling and rescheduling are frequently accompanied with relationship termination.
- Economically viable public sector companies must be extended help and support. Competition between private and public sectors should be encouraged in the interest of developing Egypt’s national economy.

That was a “prescription” of 11 recommendations by Egyptian experts who live and study the problem and participate in the search for a decisive solution.

A prescription that seeks to “bail out” troubled companies in Egypt.

Article Lists Problems, Suggestions for Dollar Bonds

90OA0137A Cairo AL-MUSAWWAR
in Arabic 10 Nov 89 pp 16-17

[Article by Majid ‘Atiyyah: “About the Procedure for Issuing New Dollar Bonds: Why Would the State Pay 10-Percent Interest on One Bond, Then Reduce That to 9.2-Percent for the New Bond? Do Added Incentives Help Lagging Sales?”]

[Text] The government has been considering for more than a year the issuance to the account of the National Investment Bank of new dollar bonds guaranteed by the central bank of Egypt. Many committees met to study the issuance of these new bonds in light of past experience. A committee composed of representatives of the central bank, the National Investment Bank, and public and private sector banks was formed under the chairmanship of Hasan ‘Abbas Zaki, president of Arab Banking Corporation and former minister of the economy. The committee considered several proposals to promote the sales of the new bonds.

There was a suggestion to peg the interest rate at 1 percent above the London LIBOR [London Interbank Overnight Rate] rate, in addition to exempting the bonds from all taxes, including transfer taxes, and guaranteeing them against seizure and forfeiture now and in the future, as stipulated by the decree governing the bonds.

Banking opposition to a higher interest rate kept it at a mere 0.5 percent [above LIBOR]. The banks expressed fear that increasing the interest rate at that level would impact on the various savings vehicles they offer. The banks can not unilaterally offer premiums or compete on interest rates. Moreover, the banks' dollar earning would be adversely affected were funds currently on deposit withdrawn to purchase the bonds. Banks hold dollar savings amounting to \$14 billion, whereas bond value does not exceed \$460 million.

There was another proposal to limit bond sales to Egyptians at home and abroad, but the committee's chairman espoused the idea of extending the offering to the Arab brethren.

A third proposal was to set bond maturity at the usual 5 year-term but the majority opted for 7 years because the old bonds have a term of 5 years and the coincidence of the two might cause future bank confusion.

Incentives on Top of Incentives

The committee made its recommendations in light of those considerations and the decree authorizing the bonds was issued. Three banking delegations traveled to Arab countries that host concentrations of Egyptian expatriates. The committees [delegations also] contacted businessmen. There were questions and there were comments. The three committees made their reports which were discussed last Sunday by the main committee chaired by Hasan 'Abbas Zaki. The latter committee decided to sweeten the bonds with two more incentives.

The first was to issue them as bearer bonds with no central bank registry of buyers. This would encourage purchases by those who do not care to make the size of their holdings known to the state.

The second incentive was to consider a graduating tax exemption pegged to the value of bonds held by bearers returning home from abroad.

Reports by the three banking delegations also remarked that banks in Saudi Arabia could not promote the bonds without permission of the Saudi Arabian Monetary Agency in its capacity as that country's central bank. The banking delegation consequently limited its contacts to currency exchange firms such as al-Rajihi which would get sales commissions. However, al-Rajihi himself pointed out to the committee that the bond coupon rate, at a maximum of 0.5 percent above LIBOR rates, was not attractive. The same thing happened in Kuwait.

Remarks..Remarks

The bonds were put on the market 1 November but the results were disproportionate to the preceding publicity.

We will therefore refrain from disclosing the numbers as entered by the various banks and their branches. They set no records as the saying goes.

The question here is why was the interest rate set at only 0.5, instead of 1 percent above LIBOR.

The second question is why were the bonds offered to the Arabs. Did someone foresee Arab demand for them?

Let us deal with the second question first. It is clear that there is no incentive for an Arab businessman or ordinary citizen to buy Egyptian bonds. No businessman would tie up his funds for 7 years. At the outside, he would deposit his funds in the bank for a month or two awaiting the conclusion of his deals. The ordinary citizen, on the other hand, would have the problem of dealing with Egyptian banks while he remains in Kuwait or Saudi Arabia for instance.

I would have thought for that reason that the bonds be offered only to Egyptians at home and abroad and that they would have a premium of no less than 1 percent above LIBOR. The banks are aware that loans marketed in London to the account of Egyptian banks and agencies were concluded at 1.75 percent above LIBOR. Bond returns would accrue to Egyptians only, so why not give them 1 percent which would gain the return?

A 7-year maturity for the bond is too long. It is not true that bonds can be discounted or sold at the exchange. Relevant decrees mandate that bonds can neither be discounted nor sold on the exchange until after a full year from the date of their sale.

The Straight Path Is Preferred

One viewpoint called for keeping the bonds on the open market to be sold or bought at any time their holder deems appropriate to recoup his funds.

Under those conditions the citizen would be free to purchase or sell bonds through the banks and not on the exchange. Everyone is aware of the tragedy of prices on the exchange and knows that the value of previous bonds dropped from \$100 to \$80, then peaked back to \$90. The idea is to cash in the bonds through the banks at their face value. The accrued interest would be calculated according to preset rules.

The proposed added incentives, such as customs exemptions and loans at 14 percent, are nothing but patchwork. They represent a winding road at a time when we should follow a straight path:

- The coupon rate should be increased to 1 percent
- The bond's value could be conserved by allowing it to be traded freely through the banks
- The bonds should be marketed only to Egyptians.

One more important point about dollar bonds old and new.

The return on the old maturing bonds was increased from 9.5 percent to 10 percent as an incentive for their holders to keep them. The new bonds, meanwhile, return 0.5 percent above LIBOR which is currently 8.7 percent. They will therefore have an interest rate of 9.2 percent.

Why this disparity between one bond and another when they all are central bank-guaranteed dollar bonds to the account of the National Investment Bank?

They say the floating rate of return has an opportunity to rise. It is also liable to decline especially because all the industrialized countries have rebelled against high dollar interest rates and forced them to retreat a little from a peak of 9.5 percent on the London exchange.

I believe that equity must be maintained in determining the rates of return on old and new bonds alike.

Editorial Suggests Ways To Increase Public Sector Oversight

*90OA0153A Cairo AL-JUMHURIYAH
in Arabic 14 Nov 89 p 5*

[Editorial Column "A Word of Love" by Muhammad al-Hayawan: "Economic Reform 3"]

[Text] When Dr 'Ali Lutfi proposed his celebrated plan to sell small governorate projects to the private sector, one governor smiled and said: "These projects are a source of power for a governor. He can use them for pandering by appointing some employees to them. He can distribute the project's production to friends and employees. He can use some of the profits to enrich his favorite people. He can get these projects to spend on the governorate's newspaper that publishes as many as 20 photos of the governor in a single issue and to pay for delegation travel abroad. They are an opportunity in the governor's hand that cannot be easily forfeited." This smart governor's expectations actually came true. The plan failed, 'Ali Lutfi quit, and the matter was put to rest.

That is why I understand why some people oppose the selling of the public sector. It is a source of power, of pandering, of privileges and of deal-making. Those who have gotten used to public sector kickbacks will not want to see them dry up when the public sector is money without an owner. Any public sector employee can sell you whatever you want from the public sector. For the private sector to do the same, it would be like selling his own flesh. For example, before the cotton trade was nationalized, a farmer could not alter the grade, but by paying out money to the public sector, he was able to convert his merchandise from "fully good fair" to "fully good." With a handful of pounds, tenth-grade rice delivered to the granary could be presented on paper as first grade.

This does not mean that we ought to abolish the public sector or that we ought to stop public sector dealings with the private sector, as used to be the case in the days of 'Ali Sabri. The rules of effective and accurate reporting can easily uncover such tricks. It is common knowledge that the mandate of the general Assembly which convenes once a year is to read carefully and more carefully scrutinize the accountant's reports, that more than one side participate in the general assembly and that the outcome should be the restoration of confidence in or

the dismissal of the board of directors because retaining a loosing director means new losses for the company.

There is another way to enhance oversight over the public sector. We can sell part of the public sector to the employees, thus making them partners in the oversight. They will not resort to pandering in selecting a union committee or in selecting labor representatives because if they did they would be fooling themselves. Workers nowadays elect those who stand against management to win more gains for labor. But if they become partners, they will choose those who look after their interests as partners. Sometimes management can get labor representatives to sell out, converting them into profit-grabbers rather than management and oversight elements whose only role is to expedite its business at the expense of production. The presence of labor in the general assembly offers yet another guarantee for the success of the public sector.

Concepts have been introduced to improve management in the public sector. There is the concept of separating ownership and management. The government can own a project's assets but a private company assumes its management. Indeed, some private sector companies nowadays are renting public sector production lines, a measure that has contributed to their success.

It is not a prerequisite to sell the entire public sector, but the important thing is to mend it.

Editorial Claims Government Apathetic to Public Needs

*90OA0153B Cairo AL-JUMHURIYAH
in Arabic 9 Nov 89 p 5*

[Editorial Column "A Word of Love" by Muhammad al-Hayawan]

[Text] The Egyptian people are rumored to be rich, richer than the government, to be spoiled and insatiable, always asking for more, to take something for nothing, and to be used to taking without giving. This rumor has appeared in some newspapers and has been repeated by some writers and now the government believes it. It has stopped paying attention to people's grievances or grounds that the people have turned into professional complainers and their grievances are false and self-indulgent. That is why it has pushed such grievances to the back to take care of other matters.

This may be true of a number of people, a minority. The majority, however, suffer in silence because they cannot get to the rulers. Between them and the rulers are barriers and blocks. They see no use in complaining because they have grown tired of it or because they have lost hope in having their complaints considered so long as those who handle their complaints sit at large desks and in silk-covered chairs. Their filled bellies can almost lift their desks off the floor, while those who submit grievances are threatened by drawn-out and, at times, absurd procedures. The government is strong. It protects

the employee because he is its man. It believes him over the poor citizen because it looks at citizens as derelicts or spoiled or pampered, making the employee the absolute master.

The channels of communications between the government and its subjects have been somewhat destroyed and the system of conduct has been hit because the channels of communications are now working in one direction. They take their rights first and do not care about the rights of others. They are concerned with pleasing the government, but are not concerned with pleasing the citizenry. Hence, they turn a deaf ear to the people: they do not hear from them and do not see them. If they hear, they do not do their part to communicate so as not to hurt the government's feelings with many complaints. The channels of communications have grown shabby, turning into barriers and blocks. They do not do their part, but rather are like clogged arteries: they weigh heavily on the whole body; they fail to carry the blood from the organs to the heart and the head. They are a cause in need of a solution.

The channels of communications are the press and the media. They are the members of the popular councils: from the local councils to the People's Assembly. They are the report writers and the public opinion instruments. Some of them overcomplain and exaggerate so much that you can hardly believe them. Some open their doors to grievances but within narrow limits that do not allow all the clean air to pass. Others do not want to anger anyone, so they present the rosy side of life and overlook many facts. These channels are not open 100 percent. Sometimes they are afraid, sometimes they pander, and sometimes they exaggerate. At times they create clutter or are cluttered themselves and at other times they are concerned with winning approval from above. As for the voters, they do not count for anything.

The cause is expanding and it requires extensive debate in order to get the truth to the people concerned, and it requires openmindedness on their part as well. It requires us to be highly sensible when talking about our problems. We must not imagine problems and must not create them. One thing that gives rise to rumors and complaints is the concept of personal connection and exclusion. A person complains because his son did not gain university admission while others with lower averages did. You assure him that the office of coordination would not do that but he tells you that everything is possible with personal connections and clout. He tells you imaginary stories that did not, could not have happened. It is, however, the confidence that has been lost because of the blocked channels of communications.

ISRAEL

Oil Contract With Egypt, Mexico Seen Threatened

44230047E Tel Aviv HADASHOT
in Hebrew 2 Nov 89 p 5

[Article by Yoha'i Rafa'eli: "More and More Pessimistic Appraisals of the Future of the Oil Contracts With Egypt and Mexico"]

[Text] Oil ties with Mexico and Egypt have always seemed weak, and the pessimistic appraisals of the future of those oil contracts are increasing. Those contracts are set to be renewed in about a month and it is doubtful if they will be renewed, or, if so, at what level. The tanker "Nyota" was scheduled to make two sailings to Egypt to load oil, but it was stopped before it completed the first sailing. In another 3 days her third sailing will be readied. According to sources in the oil economy, the accumulating delay will cause damage because the overall quantity that was to be transferred is large.

The quantity of oil imported from Egypt each year exceeds 4 million tons. Two million are set by contract, and the rest is acquired on the spot market. Each year Mexico supplies Israel with 2 million tons; Norway, 0.75 million; and the rest, a little less than a million, is acquired on the spot market. These numbers explain the fear of the cut in the oil quotas from Mexico and Egypt.

The meeting last Tuesday between Energy Minister Moshe Shahal and the Mexican ambassador in Israel did not bear positive results. A few days from now the general director of the Paz Corporation, Arye Levi, will meet with the ambassador. Paz is responsible for purchases from Mexico. Levi told HADASHOT yesterday that contacts with Mexico are continuing in an attempt to prevent the cut of up to half the quantity supplied to Israel. According to him, the Energy Ministry did not bother to update us on the matter of Shahal's meeting with the ambassador.

If the fears of cuts in the quotas from Mexico and Egypt are realized, Israel will face a large shortfall and the United States will apparently be forced to supply her with oil. The Camp David accords, which included the return of the oil fields in Sinai to Egypt and spoke of oil agreements between the two countries, include a paragraph that says that if Egypt should stop the supply of oil to Israel, the United States would do so instead by means of an emergency supply operation. This obligation on the part of the United States contradicts her declared policy, which forbids the export of oil.

Kuwaiti Newspaper Forecasts Limited War With Israel

90OL0104B Tel Aviv BAMAHA
in Hebrew 25 Oct 89 p 9

[Article by 'Efi Meltzer: "War for Limited Aims"]

[Text] The opening conditions of the next war, as they were specified last week, will have great influence on the lines of strategy. The Kuwaiti newspaper AL-QABAS maintains that these opening conditions place limitations on the planning of the war and encourage very specific activity. None of the potential belligerents will be able to ignore the influence of the opening conditions of the war, with their expected strategic characteristics.

The next war, asserts AL-QABAS, will certainly be limited in its scope, its aims, and its duration. No side

will be able to hold territory that it takes in the course of the war, also because the people that live there will participate. The vital targets of both sides will be more exposed and vulnerable, and the importance of defending them will increase. The Kuwaiti newspaper adds that there will be greater chances of the use of weapons of mass destruction.

The opening position of Israel, which is involved in the intifadah and current security in Lebanon, will be more difficult than in the previous wars. AL-QABAS argues that Israel has always sought to fight against one Arab military force, and thereby to overcome Arab numerical superiority. This is now even more important for Israel, because the Arab armies have improved qualitatively since the previous wars. Therefore, argues the Kuwaiti newspaper, Israel will limit itself in setting the goals of its war, and will not be able to achieve a large goal, such as the defeat of the Arab forces that encircle it, or convincing the Arab states of the uselessness of continuing the state of war, or to arrive at secure borders. These goals, states AL-QABAS, have become difficult to achieve.

Kuwaiti experts hold that if Israel will begin the war, it will be short and will take place in a limited area.

The Arab states also will be able to achieve only limited goals by war, according to AL-QABAS. The general weakness of the Arab states stems from the weak cooperation between them, from the situation created by the Israel-Egypt peace agreement, from the general sensitive situation in Jordan, and from the civil war in Lebanon, with all of its local and regional implications.

The estimate of the researchers that is published in AL-QABAS is that the next war will not last longer than 4 days, and that it will not take place beyond the areas of the Golan Heights on the Syrian border, the "Western Wall" in the Sinai, a limited sector on the Jordanian front, and the security strip in Lebanon.

Justice Ministry Blames PLO for Children's Deaths

44000125A Jerusalem THE JERUSALEM POST
in English 1 Dec 89 p 2

[Article by David Horovitz: "PLO, Islamic Extremists Blamed for Deaths of Rioting Children"]

[Text] The PLO and extremist Islamic groups, not Israel, are responsible for the deaths and injuries of rioting children in the West Bank and Gaza Strip, according to the Justice Ministry.

The ministry said this in a four-page, *Children as Participants in the Intifadah*, issued yesterday in response to persistent criticism from various human-rights groups of Israeli policy on children in the administered territories.

The report says that the intifadah leadership has consistently "exploited children by placing them in harm's

way. Thus it is the inciters and not the IDF [Israel Defense Forces] who must ultimately be held responsible."

It is a clear breach of international law (Fourth Geneva Convention, 1949) to use civilians as shields to impede military operations, the report notes.

The PLO and Islamic extremists recruit "children of all ages to participate in the street violence," says the report. The children set fire to tyres, block roads and throw stones and other dangerous objects at Israeli soldiers.

Yet the security forces "are often more lenient in dealing with minors than the law permits." Visits to detention centres in 1988 and 1989 by the Geneva-based Defence for Children International found no child under 14 in detention.

As to criticisms of the Israeli authorities for schools closures, the ministry noted that governmental efforts had helped raise the percentage of eligible Arab children in the administered territories attending school from 56 percent in 1967 to 87 percent by 1986. Given so demonstrable an interest in increasing schooling, it should be easily understood that the authorities ordered schools closed only when they had become centres of intifadah violence rather than education, says the report.

Finally, turning to the security forces' use of tear gas in the administered territories, the Justice Ministry stressed that canisters were not fired arbitrarily, nor were they fired into "homes, mosques or schools, except in an effort to force rioters out of buildings where they have hidden after violently attacking IDF soldiers or civilians."

Amnesty International's recently annual report asserted that soldiers threw tear gas canisters in excessive concentrations into houses, clinics, schools and mosques "despite manufacturers' instructions not to use the gas in confined spaces, as it was potentially lethal."

The ministry's report contends that much of the reporting on Israel's use of tear gas is "replete with errors and unfounded medical assumptions."

New Firing Orders in Territories Discussed

44230047F Tel Aviv HA'ARETZ
in Hebrew 2 Nov 89 p 11

[Article by Yizhar Be'er: "Killing Under the Cover of Procedure"]

[Excerpts] The intifadah, like the modern battlefield, is creating an unlimited number of inventions and improvements that respond quickly to the inventions and improvements of the other side and that negate the relative advantage of previous solutions. In the beginning were the stone and the sling, the gas grenade, the club, the gravel thrower and the rubber bullet. Later the real struggle began for control of the territory.

More than half a year ago three-quarters of a million inhabitants of Gaza were catalogued into "good" and "bad" categories by means of the magnetic card. But the plastic cards did not obviate the need for plastic bullets. They only deflected the daytime struggle for control of the streets to the dark recesses of the houses at night. Night after night gangs of masked men would visit the homes of the inhabitants and confiscate their identity cards in accordance with the list in their hands. The IDF [Israel Defense Forces] was quick to react, and in the wake of its pressure, firing orders against masked men in Gaza were eased. You could now open fire not only in truly life-threatening situations, but the new orders also specified suspicion of criminal acts.

The fact that the new procedures were authorized without stubborn opposition on the part of the public, the media and the world, facilitated the quick transference of the eased procedures to the West Bank as well. Recently Minister Avner Shaqa'i asked to implement those same procedures in East Jerusalem, too. [passage omitted]

The dozens of killed in the first half of the month, among them Al-Habash and Al-Misri (according to the data of "BETZELEM"), reflect the permission given to IDF soldiers to use their weapons in a very wide variety of circumstances, that, in fact, includes almost every possible situation. In the reality that holds sway in the territories (activity of small units in built-up or isolated territory), it is hard to investigate and prove whether the soldier who shoots first carried out the "suspect detention procedure"; i.e., called out to the suspect to stop and fired a warning shot into the air. In one reserve unit that returned from service in the territories, they even joked that one of their soldiers would call to the suspect to stop at the same time that the second would shoot into the air and the third would fire in the direction of the suspect.

In an appeal filed this week before the High Court of Justice by attorney Avigdor Feldman on behalf of a reservist and the "There Is A Limit" movement, he asked the high court to enjoin the IDF from changing its firing orders, which permit it to fire at "masked men and wanted men, suspects who are not endangering someone else, stone throwers or participants in other incidents when they flee the scene, those who set up road blocks of stones, and in circumstances where the firing is done to punish, to wound, to hurt or to prevent others from disturbing the peace" (from the appeal, p. 2).

"There are no data on how someone gets included in the wanted list; it is unclear what the required level of suspicion is, who is authorized to include someone on the wanted list and what the nature of the offense is that would put a suspect on the wanted list," says attorney Feldman. "There is thus a dangerous lack of responsibility on the part of the person doing the shooting, who is not required to make a personal decision on what could be a question of life and death. The existing procedure does not guarantee precise identification of the wanted person since no real contact is made between

him and the person shooting at him, other than a fleeting glance and uncertain external identification," he says. On the matter of firing at masked men, he adds: "This procedure contains a dangerous removal of personal responsibility on the part of the shooter. The procedure suffers from errors in identifying and distinguishing among masked men on their way to a criminal enterprise and innocent bystanders. It conveys an attitude of frivolity and even contempt for the value of the lives of the inhabitants of the territories. The procedures for opening fire on wanted and masked men are too close to execution with trial, or open a wedge that allows them to be used that way. Doubt, accident, or error in these procedures are so highly probable that no sound judicial system could acquiesce to them, and they should be completely overturned," he says, stressing: "Unjustified killing is also a war crime which every country is authorized to prosecute and for which there is no statute of limitations."

But the IDF is charged with operational accomplishments. Even the military advocates understood and accepted the demand of the field echelons to change the recognized rules of the game. The change in procedures for opening fire also reflects comprehensive changes in the IDF's order of battle against the intifadah and in the character of the insurrection. In its second year the IDF learned to use new, effective methods that are based conceptually on a change in the central objective from confronting the crowds to fighting point targets such as wanted men, masked men, territorial activists and leaders. For this purpose the IDF is using smaller, "smarter" units. As has been published at times in Israel and abroad, also units of soldiers disguised as local Arabs.

Since the appointment of Yitzhaq Mordekhay as general of the central command, there has been a change both in methods and in atmosphere. Excellent field officers have been brought in to command the important sectors, and the war against the intifadah is understood to be a battle task of the highest order, no longer just a police job unworthy of a professional fighting officer. When the phenomenon became widespread in Gaza of masked men visiting the homes of the inhabitants at night and confiscating their plastic cards, the need arose to change the customary firing orders in Gaza before it was too late.

At the beginning of the insurrection youngsters could be seen exposing their faces to the rifle barrels and inciting the soldiers, confident that the latter were restrained by the strict rules on firing. In the past, there were even incidents in which reservists would not fire at youngsters who threatened their lives out of fear of getting involved with the judicial system. These phenomena have disappeared with the change in the firing procedures. In the present circumstances, any firing at Palestinians can be explained in a way that fits the instructions.

Some people have the impression that we indiscriminately draw our weapons and kill with them, and that is

a mistaken impression, according to the commander of the Nabulus sector, the sector in which more masked men have been killed than anywhere else. We do not have in mind to kill masked men or to shoot for the sake of killing. We do have procedures for detaining suspects according to instructions, and in every case where someone is wounded, we provide the very best medical treatment. He explains the need for changing the old, limiting instructions as the result of the increasing strength of the masked men. From the point of view of a military man, the IDF is fighting gangs of violent gangsters who are trying to force their will on the inhabitants. "It is no longer honorable simply to throw stones. If that is all you do, you are virtually a goldbrick. Anyone who wants to be taken seriously has to put on a mask, knock at night on the doors of those inhabitants who go to work in Israel and levy an intifadah tax on them under threat of a raised axe," says one of the officers in the sector.

At area headquarters there is a display of booty gathered over the last several months, an interim result of the war against the masked men: knives, swords, axes, a plastic mockup of a submachine gun, an English rifle, an improved slingshot that fires iron darts (its straps are made from the rubber used by medics as tourniquets), children's walkie-talkies, a field glass, Vietcong instruction manuals translated into Arabic, instruction videotapes on weapons operation, a movie camera, uniforms, and masks of various sorts. Headquarters also collected a lot of money taken from the masked men.

Among the 10,000 dinars collected recently, I also saw an open check in Hebrew for 500 shekels. That is the price paid by inhabitants returning from work in Israel to the gangs of masked men who knock on their doors at night, according to the IDF. Also captured were certificates issued by the popular committees allowing the bearer to levy the intifadah tax. Among the displays that have never been published by the media, are pictures held by the officers of the sector of the slaughtered bodies of the victims of the masked men. Those pictures are so disgusting that they are unlikely ever to be published in any newspaper, despite the propaganda advantage that would accrue to the authorities were they to be published. The head of one of the victims, a woman from Nabulus who was accused of collaborating with Israel, had been severed from her body and her stomach hacked to pieces. "And she was just a prostitute. She had no connection with us," they told me.

The officers in the area believe that the change in firing procedures that allow the wounding of masked men has already borne fruit. Over the last few weeks there have been fewer of them roaming around, the sector commander told me. Now they are afraid. No one wants to die, he explained. 'Iman Jamus and 'Amar Kalbunah, two leaders of the masked gangs, were eliminated more than a month ago with the aid of intelligence information about their hideout. After their death, dozens of local residents communicated their thanks to the governor, he said. Jamus and Kalbunah were not the commanders of the intifadah in Nabulus even though they

fear them more than us, the commander claims. The intifadah commanders in Nabulus don't go up against the army. Jamus and Kalbunah were commanders of violent gangs that violated law and order and attempted to take control of the street. The leadership was afraid of them. They were cannibals, people who would beat you to death ruthlessly, he explained.

The Panther and the Eagle

The masked men are sometimes thought of on the Israeli side as a homogeneous collective, only interested in rubbing people out and demanding money; but that is not the case. Most of those who put on masks do not deal in murder. In the Nabulus area there are two groups of undisciplined knife-wielding rowdies, who call themselves the Al-Fahd al-Aswad, the Black Panther, and Al-Nasr al-Ahmar, the Red Eagle. "Even though the 'Black Panther' is identified with Fatah, and the 'Red Eagle,' with the Popular Front, they no longer take orders from the united leadership," says a teacher from Nabulus. They are not a political group with a clear ideology, but a body that deals in internal terror.

"No one knows the criteria by which they decide to kill someone. That is why they frighten us so much," says the teacher. "I don't object to the liquidation of collaborators, but I do object to the way it is done. Execution of collaborators must be the decision of the leadership echelon. They can be the ones who carry it out, but they shouldn't both be the ones who decide and the ones who do it. They are very dangerous; tonight they might decide that I am not okay, write my name on the walls, and tomorrow they would find by body. I would like them to direct their violence at the Army and not at us. In my opinion, the Army could easily liquidate those groups but doesn't care to."

The PLO and the united leadership of the insurrection are also aware of the havoc that these groups wreak. As'ad Siftawi, the leader from Gaza, said recently that he condemns every act of murder committed by the masked men. "As in established states, the decision on execution is in the hands of the president or the mufti; our higher authorities must make the decision." (HA'ARETZ, 26/9/89)

Within the last 2 weeks, PLO radio in Baghdad repeatedly broadcast calls by 'Arafat to the members of these fringe groups to stop the executions. The united command's "Proclamation 45" also condemned the murders, and special proclamations distributed from time to time warn against turning the violence inward. But apart from these undisciplined gangs of ruffians, the phenomenon of masked men includes hundreds of young people who go out with their faces covered by a mask or a kufiyah for a field operation not necessarily violent in nature, such as guard duty, erecting blockades, writing slogans, raising flags and marching, in order to keep up national morale and to satisfy the feelings of sacrifice that beat in the breasts of the young.

Once it became clear that the procedures for opening fire had changed and that the IDF had begun to kill them, it was to be expected that the phenomenon would disappear or be reduced to minimal proportions. Any young person leaving his home today wrapped in a kufiyah or wearing a mask knows that he is taking his life in his hands, but in fact the phenomenon has not stopped.

"The Palestinians do not put themselves at risk because of the promises of reward after death, but mainly because of nationalist motives," says Middle East specialist Emanuel Sivan. "I don't think we are creating a suicide culture here. Even the suicide phenomenon among the Shi'ites, within Hizballah, was very short-lived and stemmed from temporary distress."

Current Armor Developmental Stages Discussed

90OL0104A Tel Aviv BAMAHA
in Hebrew 1 Nov 89 p 13

[Interview with Armored Corps Commander Yosi Ben-Hanan; date, place not given]

[Text] [BAMAHA] The Armored Corps unveiled the Merkava Mark 3 tank last Independence Day. What has been done since then to absorb the new tank in the combat units and in the training units?

[Ben-Hanan] The coming year will be marked by the completion of the operational testing and absorption of the Merkava Mark 3 in the IDF [Israel Defense Forces], a modern tank, which without doubt stands in the first rank of main battle tanks in the world. Its innovativeness is reflected in three basic components of a tank—mobility, survivability, and firepower.

The absorption process is based on the great experience that we have accumulated over the years in absorbing various tanks in the armored units. For obvious reasons, not a lot can be said about the absorption of the tank in the fighting units. One can note only that in the Armored Corps training bases and, especially, in the Armor school, we are already preparing lessons and teaching aids for the receipt of the new tank.

[BAMAHA] So the Merkava Mark 3 is on the way. What's next?

[Ben-Hanan] We are continually examining the operational requirements, and we are meeting them with the technological answers of the next decade. This is, of course, a dynamic and evolutionary process. The tank was and will continue to be the main weapons system at the center of the IDF's land power. The process of developing tanks for the IDF will not cease, and when the time comes, new tanks will certainly be developed and manufactured.

Our tank industry, and at the head of it the special group of Major General Yisrael Tal, has the ability, knowledge, and experience to crystallize the answers, to design and develop the next tank.

[BAMAHA] Last year, as well, the IDF had to deal with the uprising in the territories. What price did the Armored Corps pay?

[Ben-Hanan] The effect of the great operational duties was noticeable in the regular units. Despite this, I do not believe that there was any impairment in the quality and ability of the regulars in the operation of the tanks. These abilities are examined very carefully in the exercises.

Only a few weeks ago, we held an Armored Corps competition to test the capability of the regular formations, and the results attained by all the teams proved that the professional level not only had been maintained, but is even improving. I am not worried about the influence of the current security activity on the armored soldiers and officers. I do distinguish a certain impairment in the routine of the units and their organizational atmosphere.

In my opinion, many areas can be found where the current security activity has a positive effect. The soldiers and the officers are in a combat reality and under the pressure of carrying out various tasks. This contributes to developing the fighters. In any event, it's important to maintain the correct balance between the infantry-style activity and training on the tanks. In the regular units, we try to maintain this balance.

I am concerned that there is a certain decline in the reserve units, and I hope that the army's overall plan will have a balanced answer and will confirm that the central aim, the readiness and preparedness of the armored units for their main tasks in war, will not be impaired.

[BAMAHA] How does the Armored Corps fit into the concept of the integrated battle, as it is expressed in the efforts of the Ground Forces Command to promote this subject?

[Ben-Hanan] We are working regularly on the subject of the integrated battle. This is not a slogan or a heading, but a reality of daily life. In all stages of training, we bring together on "one court" all the components of the integrated land battle team. At the completion of the officers' courses, a concluding multicorps exercise is held at an Armor base. Even at Armored Corps Day events, we found it necessary to stress the importance of intercorps integration, and, therefore, we, the men of the Armored Corps, invited soldiers of Combat Engineering and the Ordinance Corps to present, together with us, their achievements in the demonstration that was held on Sukkot in Tel Aviv.

[BAMAHA] One of the processes that we see in the Infantry and in the Engineering Corps is protecting the forces and providing the capability for greater mobility as a result of this protection. How has this process influenced the joint combat with Armor?

[Ben-Hanan] Before a common denominator was created in the areas of survivability and mobility, we fell into difficult situations, in which we were compelled, as

tankists, to confront complex circumstances in difficult terrain and in the midst of the enemy, without close support of infantry and combat engineers.

The creation of a common denominator will enable us to maintain the unity of the force in carrying out tasks.

[BAMAHANE] Colored banners have been noticed recently in Armor camps bearing the slogan "the Armored square." Is this related to being square?

[Ben-Ari] We were called "square" for many years, with all that implies. We thought it proper to stress that we are proud of this squareness of the Armored Corps. The banner puts the symbol of the Armor in a green-black square, the colors of the Armor, against the background of the gold color of the medal of valor. The message is: Everything that is done in the Armored Corps must be based on four levels—motivation, professionalism, initiative, and discipline. Can anyone challenge that statement?

Nature of Intifadah-Related Incidents Changing

90WR0027A Tel Aviv HA'ARETZ
in Hebrew 8 Oct 89 p 15

[Article by Nadav Shraguy: "Incendiary Statistics"]

[Text] Twenty-one months after it began, the intifadah has changed its face, and in Jerusalem, as well. No, most regrettably, it has not disappeared, as many predicted, but spread and changed its form. The intifadah in Jerusalem has marked almost 2 years, and now a process of change is occurring. Gatherings of dozens or hundreds have almost disappeared. Together with them have disappeared the "stone attacks" on the boundary neighborhoods such as Armon Hanatziv, Abu-Tor, and Pisgat Ze'ev. Violent street disturbances, such as stone barricades and burning tires, have become a rare sight.

In the second year of the intifadah, and especially in recent months, their place has been taken by incendiary bottles and arson. Stones are still thrown, but in small quantities and by individuals operating from a distance. The massive presence of the police and security forces in Jerusalem, over 1,000 policemen on a permanent basis, has succeeded in reducing to a relatively low level the incidents defined as "intifadah incidents," or "disturbances." However, this success had a price—as the number of disturbances declined, the number of incidents defined as attacks increased, and sometimes it seemed as if an equation were involved.

An Average of Seven or Eight Cases of Arson Per Month

In 1988, the first year of the intifadah, 92 cases of arson were recorded in Jerusalem.

An average of 7 or 8 arson cases per month: In the first 8 months of 1989, 128 arson cases were recorded in Jerusalem, more than in all 12 months of the previous year, and, on the average, 16 per month. The increase

was sharp and especially evident in recent months: 19 arson cases in April and June, 15 and 16, respectively, in May and July, and 27 in August. There was a certain decline in September, but the number was still high.

Since the beginning of the year, about 140 vehicles were burned in Jerusalem (80 percent on a national background), mainly in Yemin Moshe, French Hill, and Abu-Tor, but actually all along the boundary, about 15 km beginning in the north in the French Hill area, Pisgat Ze'ev, Neve Ya'aqov, going through the neighborhoods of Ma'alot Dafna, Shmu'el Hanavi, and continuing to the south—the neighborhoods of Abu-Tor and Armon Hanatziv. Other foci are 'Isavia and Al-Ram, where vehicles of collaborators were set afire. Some of the burnings were committed in the Arab villages within the Jerusalem jurisdiction, where vehicles of Israeli companies were parked. Many of the Arab residents of these neighborhoods work for Jews.

In recent months, the area of France Square, hundreds of meters from the residences of the president and the prime minister, became a favorite haunt of the arsonists. On Ahad Ha'am street, in the parking lots of the King David Hotel and the Mori'ah Hotel, and in other places near the Square, vehicles were burned in the middle of the night.

Most of the burnings of vehicles in the city are committed by smashing a window and pouring flammable liquid inside. There is also another method: Glue is poured onto the vehicle, a filter cigarette is stuck in the glue, and the glue is allowed to burn. It takes 7 to 10 minutes, depending on the quality of the cigarette, until the glue burns and, with it, the car. This is sufficient time for the arsonist to escape.

The number of apartments burned in the city also has risen noticeably, according to the fire department's data—by 144 percent. In the first 7 months of the year, 22 apartments were burned in Jerusalem, in contrast to 9 apartments during the same period last year and only 16 in all of 1987.

An increase also was recorded in the number of businesses burned in the city, most of them in the industrial area of 'Atarot. In January, two trucks and two factories were burned. This February, three trucks of the Tempo company were set afire. In April, the Kaufman carpentry plant was burned; in June, the Alpha Beton plant was damaged. The Hama'itz Garage, the largest one in the 'Atarot industrial area, is moving to Talpiyot after vehicles parked in the garage were burned at night again and again.

It's no wonder that, in this situation, the 'Atarot industrial area is waning, customers are coming less frequently, and sales have plummeted dozens of percentage points.

Only the number of fires set in Jerusalem's forests has declined this year. The fire department ascribes this to the establishment of a unit of forest watchers composed

of volunteer firemen. All in all, since the beginning of the intifadah, there were 23 cases of arson in the city's forests.

After a certain easing, there also was an increase in incendiary bottles, and this, as mentioned above, came at the same time as the decline in the number of disorders. More than 100 incendiary bottles were thrown in the capital at Jewish targets in the first 9 months of the year. March and June were the worst months: 18 and 17 incendiary bottles, respectively. The foci of the throwings: the Muslim Quarter in the Old City, the villages of Al-Tor and Abu-Tor, and the Neve Ya'aqov road. But there were also cases of incendiary bottles on the Pat-Gilo road, in the western part of town, on the boundary, near Beit Tzafafa.

262 Attacks

In all, 262 attacks (as opposed to disorders) were recorded in Jerusalem in the first 8 months of the year, compared to only 218 in all of 1988. Within the entire area bounded by the Green Line, from Metullah to Eilat, excluding Jerusalem, only 235 attacks were recorded, less than in Jerusalem during the same period.

Data on "disturbances" in Jerusalem during 1989 are still not available, but there has clearly been a decline since 1988. In that year, there were 1,766 recorded incidents of stone-throwing, 1,229 incidents of waving of the PLO flag, 708 road blocks, and 283 tire-burnings.

The increase of terror in the capital, compared to a certain decline in "intifadah incidents," explains why a citizen of Jerusalem has not become accustomed to the new situation and overcome his apprehensions.

Fear is still the dominant feeling in Jewish-Arab relations in Jerusalem. The Arab side has already gone through all the processes of cutting itself off within the framework of the measures decided upon by the leadership of the uprising, while the Jewish side also is actively engaged in cutting itself off, by reducing and/or refraining from developing commercial contacts with Arab craftsmen, who had been employed by Jews until now. Suddenly, they prefer Jewish labor in Jerusalem.

The fear is also reflected in the continuing absence of Jews in the eastern side of Jerusalem. A counter-absence of Arabs began to be noticeable in recent months, linked to acts of revenge of Jews against Arabs, mainly in the area of Beit Tzafafa and Shmu'el Hanavi. However, as these reprisals died out, the Arabs again moved about in Jewish areas.

The Most Stoned Bus Line

Egged's buses are another way to judge the influence of the intifadah on Jerusalem residents. There are several lines on which it used to be difficult to find standing room, while today there are plenty of seats. Number 25, which connects the neighborhood of Neve Ya'aqov with the center of town, will certainly receive the award as the

most stoned bus line in Jerusalem. Other winning bus lines are Numbers 23 and 27, which go through Salah al-Din Street, and Number 1, which goes to the Western Wall. August was a relatively quiet month in Jerusalem. According to data from the Egged security officer, 30 different bus lines were stoned in August. Number 25 was stoned nine times. The number of incidents has doubled and even tripled in recent months.

Public opinion in Jerusalem is a flexible concept. This was discovered by the statisticians Hanoch and Rafi Smith, who conducted two public opinion surveys for the Jerusalem Municipality. In December 1987, before the outbreak of the intifadah, only 23 percent of Jerusalem's residents believed that Jewish-Arab relations were the city's most serious problem. In that survey, 58 percent of the respondents pointed to religious-secular relations as the most problematic subject of the period. After 5 months of the intifadah, the situation was reversed. Fifty-one percent indicated Jewish-Arab relations as Jerusalem's most serious problem, and only 32 percent continued to believe that Jewish secular-religious relations were the city's most difficult problem.

There has not been another survey since then. But Rafi Smith, of the Rafi and Hanoch Smith Institute, told HA'ARETZ this week that the centrality of the problem must certainly have increased in the eyes of Jerusalemites, and likewise the impotence that they feel. Smith notes a moderation in the public's positions on the Arab issue up to March 1989, and a change of direction and sharpening since then.

By the way, Teddy Kollek stated a few days ago that it is precisely tension between Jews and Arabs and the continuing intifadah that have led to the relative quiet that has characterized relations between religious and secular Jews in the capital.

A comparison of the two surveys, from before the intifadah and afterward, shows that 61 percent agreed that "the Arabs of the eastern part of the city should be handled with tough measures," an increase of 10 percent over the period before the intifadah. The approach of a firm hand towards the Arabs of East Jerusalem seems to be accepted more among the ultra-orthodox, religious, and traditional Jews. Most of the residents who defined themselves as secular did not agree with this approach. The replies also indicate that there is a feeling of frustration among the public concerning the events. To the question "During the disturbances did you sometimes feel that the state is impotent?" the replies were as follows: 51 percent replied positively, 42 percent replied negatively, and 7 percent had no opinion.

Rafi Smith says that the persistence of the intifadah has increased the fear, and the hatred, as well. The two feelings are linked. "People feel less and less secure, and search more and more for security. That in itself naturally raises the level of apprehensions and fears," says Smith. As for the feelings of the Arab population in Jerusalem, he admits that the institute has not carried

out surveys in the eastern part of the city for years. "Today I wouldn't dare get near there. The last survey, on nonpolitical subjects, was conducted with great difficulty about 8 years ago." Last week, when the police closed off several streets in the eastern part of the city, Mayor Teddy Kollek noted with concern that the various extraordinary measures that the police have taken in an area within Israeli sovereignty are gradually becoming customary. Under the protection of Israeli sovereignty, which still limits the authorities regarding various measures, East Jerusalem has become a refuge for the leadership of the intifadah.

The Police Broke Prohibitions

The police, for their part, freed themselves from a long list of prohibitions that they had imposed on themselves during the pre-intifadah period, as part of the attempt to present to the world a united Jerusalem, under Israeli sovereignty, where the rules were different. Curfews were imposed, areas were closed off, schools were shut down, rubber bullets and even real ones were fired, and detainees were not handled with kid gloves and sometimes were even treated with brutality.

These changes followed a change in the pattern of protest on the Arab side. The main changes were: incendiary bottles and arson in the western part of the city, stone attacks on Jewish and mixed neighborhoods, an organized commercial strike that has lasted almost 2 years, and frequent use of the Temple Mount as a center for incitement and the organization of disturbances, a list of firsts that Jerusalem had not known before the intifadah.

It has already been said that Israel today holds two Jerusalems, and not one, and this description of the situation is appropriate today, as well. The Arab city maintains a stronger connection with the territories than with the Jewish half it abuts. Jews and Arabs live every man in his own tent, with contacts approaching the minimum and persistent fear and apprehension.

[Box, p 15] The Soft Underbelly—Kindergartens and Schools

Intelligence reports by the police and the security authorities estimated in the past that kindergartens and schools are a preferred target of terrorist organizations. In a situation where the terror curve has turned up sharply in Jerusalem, this estimate can be significant. The chairman of the Jerusalem Municipality security committee, Yisra'el Shulderman, who up to a few years ago was the intelligence officer of the national bomb disposal unit, is sharply critical of the municipality and paints a gloomy picture of the situation.

The last report of the city comptroller shows that there were guards in only 2 of the 17 schools that were checked. Shulderman carried out another examination recently. The results: There were guards in only 3 of the 34 schools that were checked. All the others were wide open. "The Jerusalem Municipality is not doing enough to improve the situation." He notes that there are still 60

kindergartens in the boundary areas which do not have a telephone. The problem could be solved with a budget of 180,000 shekels.

The correction of the other deficiencies that he notes also involves the approval of an additional budget: About 30 kindergarten classes still lack buzzers. The cost for one class is 270 shekels. Public address systems in the schools, which are intended as a means of alarm for emergencies, still don't exist.

Such systems have been installed in only 20 of the several hundred schools in the city. According to the rules, there must be 1 first-aid kit for every 50 pupils. Today there is 1 for about every 250 pupils.

Other equipment that is lacking: 160 powder fire extinguishers and about 50 reels of firehose. Fencing also is deficient. In order to prevent the entry of strangers into educational institutions and in order to enhance security, the educational institutions are surrounded by fences that are not easily climbed. In a number of institutions, and especially in the boundary neighborhoods, there is no fencing at all, and where there are fences, there are many breaches. A comprehensive survey was completed on this subject about a year and a half ago, but nothing has been done.

Nighttime illumination is only partially operative in most educational institutions in Jerusalem.

Shulderman voted against the municipality's budget 2 months ago, after he found that the required amounts had not been set aside for correcting the deficiencies. He notes that there have been attempts to attack schools in Israel in general and in Jerusalem in particular, and, in his opinion, the order of priorities has to be changed, in order to raise the monies for the correction of the deficiencies.

Dalia Itzik, the deputy mayor responsible for the education portfolio for the past 3 weeks, says in response that most of her time is devoted to dealing with the deficiencies that Shulderman has pointed out. She believes that the root of the problem is the method whereby the municipality's unit for emergencies and security points out the deficiencies and then asks another department, in this case, the Department of Education, to correct the deficiencies from the latter's budget.

In her opinion, one factor should be designated to note the deficiencies and to correct them. "As long as the method is not changed, the situation will not be corrected," says Itzik. She comments that Shulderman could have waited a bit with his criticism. "He knows well that they are working on the problem. Publicity only creates hostility, and instead of seeing the subject people see conflicts."

Growth of Hamas, Islamic Jihad Reportedly Concerns PLO, Israel

44000150 Tel Aviv HA'ARETZ
in Hebrew 22 Dec 89 p 2

[Text] According to senior Israel Defense Forces [IDF] sources, the continuing increase in the strength of Hamas [Islamic Resistance Movement] and the Islamic Jihad in the Gaza Strip is a source of concern to both Israel and the PLO, and their interests on this matter coincide. These sources believe that recent talk of Hamas' willingness to send a representative to discussions between Israel and residents of the territories about the elections initiative or a settlement are merely a tactical ploy, and not a change in the organization's positions. According to a rough IDF assessment, more than 20 percent of Gaza Strip residents support Hamas, and the number is increasing. During the last 6 weeks there has been a significant decrease in the number of intifadah activists killed in the Gaza Strip. IDF sources say that this is because the military is using force with discretion. In addition, the IDF is now entering refugee camps in the Gaza Strip in a much more orderly manner. Also, since Southern Commander Matan Vilna'i has been in his post, there has been a conspicuous decrease in "curfew days" for refugee camps. There were 17 "curfew days" imposed on the 11 refugee camps in the Gaza Strip in October and 17 in November 1989; in May 1989, there were 150 "curfew days" out of a possible 330 days for the 11 camps.

Galilee Jews, Arabs Form Joint Forum

44230030C Tel Aviv HA'ARETZ
in Hebrew 5 Oct 89 p 11

[Article by 'Atallah Mantzour: "A New Leaf in the Galilee"]

[Text] Israel has on paper dozens of organizations and groups acting for Jewish-Arab coexistence and amity. Groups are working in the fields of education, sister settlements (such as 'Ar'ara and Beit 'Alfa), regional response committees, and also almost personal projects of Mahmud Yunus, a member of the Histadrut Central Committee for MAPAM [United Workers party], who has been working for friendship among peoples for dozens of years. And there are those who are just now declaring the beginning of operations, due to the general tendency to extremism.

But it seems that the most important body is still being organized—the joint forum of the heads of Jewish and Arab local authorities in the Galilee. The group's importance is not due to the presence of the Chief of the Northern District, 'Amram Kolaji, at the first public meeting of the organizers of the forum.

On the other hand, the presence of this representative of the Ministry of the Interior should not be seen as reason to denigrate the importance of the new body. The presence of representatives of the Alignment, the Likud,

and HADASH [Democratic Front for Peace and Equality] among the participants in the assembly ensures that this is not a government body.

A Real Representation

The names of the Jews on the preparatory committee of this body, and their communal origins, are the revolutionary element in the new body. Here there was no band of liberal-moralistic-European-origin Jews, as is customary in such organizations. The mayors of 'Afula, Karmi'el, and Qiryat Shemona, and the head of the Yavne'el local council—clear representatives of Sephardic and North African Jewry, Likud members who are customarily regarded as "anti-Arab"—came to the forum. Moreover, Knesset Member [MK] 'Obadia 'Ali, the mayor of 'Afula, is one of the two initiators of the forum. The second one is 'Ibrahim Nimer Husayn, the mayor of Shfar'am and chairman of the national council of Arab local authorities. The second Arab representative is no less famous: MK Tawfiq Ziyad, a member of HADASH and an Arab-nationalist poet known in Arab states.

Therefore, in the 'Afula cultural center sat a true representation of the citizens of Israel in the northern district, Jews and Arabs. On the Arab side, a Moslem Likud member, Salah Sulayman, the appointed head of the local council of the village of Bu'eyna—and, on the other side, a senior representative of the Democratic Arab Party, As'ad 'Azaydah, chairman of the local council of al-Dabburiyah. On the Jewish side, there were two representatives of the Alignment—MK Mikha Goldman, chairman of the Kfar Tabur local council, and Edi Eldar, chairman of the Yavne'el council, a religious man and a Likud member who was elected to office as an independent candidate.

Prior to the Jewish-Arab meeting, in front of the press, there was a preparatory meeting in the office of the mayor of 'Afula, upon which I happened by chance. The Jews feared that the attempt would open along the customary lines of previous meetings: the Arabs would attack the government's policy and the attitude of the Jewish public to the Arab minority, and the Jews would defend themselves aggressively and would suggest that the Arab minority learn from the experience of the Jewish minorities in the neighboring countries or in Eastern Europe (in order to gore the Communists).

Searching for the "Pro"

All the Jewish representatives at the 'Afula meeting held that they must not debate or start a debate. The goal was to set up a joint forum that would look for common ground, says Mu'Allem of Yavne'el. Karmi'el's Eldar says that he sought to increase trust, through joint projects with the Arab settlements in the Beit Hakerem Valley. Prosper 'Ezran, a Likud member and the mayor of Qiryat Shemona, says that he was for "the pro." Jews and Arabs have a common interest. The main concern was that Tawfiq Ziyad, the mayor of Nazareth and a

member of HADASH, would try to impose a political discussion—and would bring about the collapse of the meeting.

'Ovadia 'Ali, the host, greeted the participants. He was encouraged by the fact that all those who had been invited had arrived at the appointed hour, including the head of the Gush Halav council, Zakhi Jubran, who had postponed medical examinations. Everything was conducted carefully. Everyone stressed the need for action to halt the growing extremism in both camps. 'Azaydah proposes in a diplomatic chord "to refrain from pouring oil on the fire of the extremists by making rousing accusations" against the Jews or the Arabs. The suggestion elicited smiles. Those gathered around the table exchanged glances. Many of them could see that the arrow had been directed at them.

A Hostile Attitude

Finally, Tawfiq Ziyad was given the floor, and, as expected, presented to the Jewish participants a list of complaints about discrimination against the Arab population. The subjects: budgets, planning, unemployment, police brutality.

The mayor of Karmi'el suggested to Ziyad that he direct his complaints to the cabinet ministers. Here sit men who have a similar list of complaints, but this is not the place for them, he says. Ziyad insists that this is the time and the place to inform the participants of his problems. "The plenum of the Nazareth city council met some time ago, and on that day Bus No. 405 was attacked and I denounced the attack. The following day, I read in the newspapers that no Arab had denounced the act." Ziyad accused the press of hostility to the subject of Jewish-Arab coexistence. (Later, he agreed that the Nazareth municipality should have brought the comments to the attention of the journalists.)

Ziyad notices that the Jewish representatives are showing sympathy. He assures them that they do not know the truth about his positions: "I am a moderating influence within the Arab public."

'Ali admits publicly that Ziyad's comments had surprised him. Someone mentioned that the leaders of the Arab public had condemned the burning of the Carmel forests. The atmosphere was cordial. The head of the Bu'eynah council, Salah Sulayman, offered to have the next meeting at his village. (He promised to get a kashrut certificate.) Ziyad said that it was unacceptable that after the 'Afula municipality we will go over to an appointed council in the Arab sector. He insisted that he would host the next meeting. No one opposed the proposal. The atmosphere at lunch (in the Gan Eden hall), which was held immediately after the meeting, was enthusiastic.

The following day, the HADASH publication AL-ITTIHAD described the meeting as the turning over of a new leaf in a desirable and important process. Indeed, this was a celebration: the Likud, the Alignment,

HADASH, and the Arab Party sat as brothers in order to promote Jewish-Arab coexistence in the Galilee.

What does the new wind presage in the Galilee? Time will tell. But the very attempt is worthy of encouragement. Relations between Jews and Arabs in the country, and especially in the Galilee, have declined to a nadir. Many Jews are convinced that "the Arabs" burned the Carmel forests. The police commander of the valleys region, Deputy Commander Dani Tabib, says that in the first 7 months of this year there were more acts of violence in the region than in any previous year—and that causes concern. (But no one notes that most of these acts last year—and this year—were committed by persons from the West Bank who crossed the border.) The comments of the mayor of Nahariyah, and before him by the Likud's mayoral candidate for 'Akko, against residence of Arabs in their municipalities, arouse great anger among the Arab citizens. In addition to that, there was another problem common to everyone: the growing and worsening unemployment. The leaders of both sides concluded that they had to try new methods.

Jewish-Arab Goodwill Meetings Described as Futile

44230030E Tel Aviv HA'ARETZ
in Hebrew 13 Oct 89 p 2B

[Text] Every discussion that Jews have with Arabs on coexistence in the State of Israel concludes with the question where will the Arabs of Israel choose to live when the Palestinian state comes into existence, and what will be its influence on local coexistence. The minister responsible for Arab affairs, Ehud Olmert, maintains that "the establishment of a Palestinian state would encourage destructive processes in our relations with the Arabs of Israel...the granting of national legitimation to the establishment of a Palestinian state will engender negative processes from the viewpoint of the Israeli Arabs' feeling of belonging to the State of Israel." In an article that he published not long ago in the newspaper POLITICS, the author Anton Shamas writes that "the problem is not where will the Palestinians who are citizens of Israel wish to live the morning after the establishment of the Palestinian state, but where will the State of Israel wish them to live."

Dr Miriam Mar'i, the director of the pedagogical center in 'Akko, agrees in principle with Shamas, who writes that the number of those who would want "to live in Palestine" would come to barely 5,000. She has never met an Israeli Arab who said that he wished to live in the Palestinian state. But the problem, in her opinion, is not the answer, but the question itself. "It's true that the question is often asked, but it is not a question of someone who is seeking information. It is a question from fear. More than it seeks to understand, it expresses the fears that Israelis have. Mainly, it is full of the hopes of the inquirer, who expects that we will gladden his heart and answer yes, we want to leave, and the problem will be solved. But Israel is the 'homeland,' beyond the

symbols of the state that are foreign to us and that engender in us a feeling of alienation. The establishment of a Palestinian state, with its symbols, will precisely aid us psychologically in accepting our citizenship as Israelis.

[HA'ARETZ] The definition that Shamas has chosen, and that you also use, is "Palestinian citizens of Israel." This self-identification of Israeli Arabs as Palestinians aids Jewish extremists.

[Mar'i] We are well aware of this landmine. We even have those among us who seek tactically to abandon temporarily definitions. But must we always obey someone else? Taking into account every time what the Jews will say, what the Palestinians will say, and what they think about us in the PLO? True, defining ourselves as Palestinians aids the right in putting us in the category of the intifadah, of what has to be liquidated. On the other hand, it makes it difficult for the left to help us to find the way. The Palestinians in the territories also no longer have the patience to hear all our uncertainties, and they want a very clear definition. But we are sick of making life easier for others. If we take upon ourselves the task of helping the left and the right to find the way—we ourselves will be lost.

[HA'ARETZ] It is not only the definition of identity that appears complex. The Arabs of Israel also radiate contradictory feelings of power, which is also supported by the intifadah, and dependence in the determination of their fate.

[Mar'i] That's true. Although we are the very heart of the problem, the Arabs of Israel have never been active players in this game. At most, we've had the status of "respondants." No one takes us seriously. Neither the Israelis, nor the Palestinians, nor the PLO, which regards us as a landmine, ignore us, and choose not to speak about us. And thus we find ourselves dancing an emotional tango, of one step forward and two steps back. We're afraid of causing any harm, we don't want to hurt anyone. Sometimes we're very frightened, sometimes we are suspicious—everything at once. In this maze, it's easy to get lost, unless we say clearly: I am a third element. I am not entirely "Palestinian," and I am not entirely "an Israel citizen," with all the difficulty that causes others.

[HA'ARETZ] And, meanwhile, does a concept like "coexistence" exist at all?

[Mar'i] With a heart full of pain, I say no. Sometimes, Arabs and Jews are sensitive to this, and some try to be nice. And after everything, after the years I spent with all kinds of frameworks of projects for coexistence, I say that there is no such thing. Even in those projects we are engaged mainly in cosmetics, we prefer to deal with the problem as a social problem, while it is really a political problem. We get together, we drink coffee, we talk about the kids, about the bad neighbor we have in common, about the late bus. It's all true, but is this really the problem between Jews and Arabs in Israel?

[HA'ARETZ] Your description sounds more like group therapy.

[Mar'i] It really is that, and even in this form the meeting is problematical. For how can I be the therapist, when I am the main suspect? Until the political problem is solved, nothing will really be solved. Why, all the time I am suspected as an "enemy," a concept rooted deeply in the consciousness. Even when it comes, the political solution will be only the first step. Only then, new problems will spring up, which the political problem is now covering up.

[HA'ARETZ] If that is so, is there no value in initiated contacts?

[Mar'i] I am definitely not opposed to them, but they should be defined in the correct manner. They are all right as a response to a social need, but they do not promote "coexistence." Sometimes, it should be said, they are even harmful. How? Because they only reinforce stereotypes. There are circles that intentionally organize meetings between Jews and representatives of our Uncle Tom's Cabin. They meet with the impotent ones, those without any power of decision, and confirm the stereotypes of the uneducated, backward Arab, who does not understand exactly what's going on. It's a misleading experience, and, therefore, dangerous. Enough already with going slowly around the subject, like in therapy. Now we should talk adult to adult, equal to equal, exactly as Anton Shamas writes. In this entire game around us, we've become sick of the role of onlooker, while all the parties expect us to wait patiently for further developments.

Israeli Arabs Purchasing Palestinian Products

90OL0123C Tel Aviv YEDI'OT AHARONOT
(Financial Supplement) in Hebrew 20 Oct 89 p 6

[Article by A. Qizal: "Israeli Arabs Still Buying Blue and White"]

[Text] "There is no intifadah against food within the Arab sector in Israel. What do you think, that we don't like Osem soups and Snowcrest ice cream? Here, look at this shelf.

"Nothing has changed. Only made in Israel. Nothing else sells here," says 'Abdel Ra'uf Darawishah, a grocery store owner in the village of Iksal in the Nazareth region.

He points out shelves laden with products, and, indeed, all of them are the product of the blue and white. Even the refrigerated section is stocked only with Tenuva products.

This is the situation in almost all of the northern villages, as well as the large Arab centers, despite Israeli manufacturers crying wolf.

Even the influence of the leaflet, which was distributed in the territories and which called for the Arabs of Israel

to boycott Israeli products and to prefer Israeli [as published] products over them, did not help.

The publicity given to the leaflet in Arab newspapers in the north, especially in Nazareth, did not help. They continue to eat, and to eat well, Israeli products.

But Michael Strauss, owner of the Strauss factories warns: "It will be too late if we do not awaken, and we will regret that we didn't do something.

"The intention of manufacturing on the West Bank is decidedly to damage Israeli manufacturing and to bring the Israeli economy to its knees. There has been a slow, creeping penetration within the past 2 years, of very cleverly made fake products—as well as genuine items—to the Arab market in the north."

Strauss spreads an entire box full of "intifadah swallows," as he calls them, pretty candy wrappers decorated with pictures and Arabic writing.

This is from Gaza, and next to it, pasta that looks just like Osem's, but is the product of "Palestine."

That is written on the wrapping, by the way, in the colors of the Palestinian flag, unintentionally or on purpose, politics in the food industry. And more booty, which, by the way, we haven't even seen in the villages or even in the small grocery stores that we visited.

In the Arab villages and towns, they still do not import electrical products from the territories, and certainly not bread. They don't import soups or soap, but in the streets of Bethlehem, Ramla, Gaza, and, primarily in Nabulus, during the months of the intifadah, industries for oils, chocolate, pasta, and ice cream have sprouted up.

Its first goal was to supply the local stands, but they are now looking toward export—to Israel's Arabs.

This can be perceived at a close glance even in Darawisha's grocery store in Iksal, as well as his friends' in Sakhnin, 'Arrabah, and Dayr-Hanna. He attributes this to the lower prices and the improved quality.

Cooking margarine, which is sold to residents of the northern villages, is the product of Gaza. Along with it, butter is successfully sold in large packages; it, too, is from the territories. In small grocery stores, sweets from the territories are selling well.

The big hit: Sylvana sweets from Ramallah. They are wrapped colorfully and are much cheaper.

"Sylvana is cheaper than Elite," says Darawishah, "and my people prefer this. The quality is lower, in comparison, but people like to pay less. Here, look, it looks like Elite.

"400 grams of Sylvana candies—6 shekels. It weighs the same as Elite—12 shekels." Cremebo from the territories sells well in the Arab stores in the north. A package of Cremebo from East Jerusalem costs 6.5 shekels here, as opposed to 8.5 shekels for the Israeli product.

We found further verification in the large warehouses of George Shughah, Israel's primary and largest Arab marketer in the north. With the exception of tahina sauce, which is imported from Ramallah, cooking margarine from Nabulus, toilet paper from Ramallah, olive soap from Nabulus, and sweets from Ramallah, there are no Arab products from the West Bank among the Arabs of the north.

Shughah's accountant: "Israel's Arabs have no faith in West Bank products. They love Israeli products. The standard of the merchandise here is superior, and the Arabs have become used to a good standard.

"We have not found one instance in these 2 years where a merchant has told me, 'Don't bring me mackerel from the Sea of Galilee, bring me mackerel from Gaza.'

"There has not been one case where people have said to remove the labels from Israeli products. Arab housewives have become very used to the Tenuva refrigerated section, Osem soups, Dubeq cigarettes, and will not trade for the quality from Gaza.

"It will not help them."

Strauss is angry: "Their preference over us is terrible from the aspect of cost and input. When they export Cremebo to us at half price, and they buy it, I have to shut a shift down and lay off workers.

"They use the name Cremebo, which is the brand name of a specific company, and you cannot identify who is the manufacturer. I'm not even speaking of the terrible catastrophes that could occur from a sanitation aspect."

Michael Burk, the assistant director general of Israeli Food Products and manager of the marketing branch of this group, which includes Telma, Vered HaGalil, 778, and Mata', is also concerned.

"We still aren't feeling the influence of that leaflet, but we know about it.

"We are already competing with candy factories, soft drinks, and even soups from the West Bank.

"They began to mass produce these primarily in Nabulus. Some of the products reach Israel in one guise or another."

Burk says that there is great concentration on imitating the appearance of the product.

Merchants from the territories, who in the past were marketers of the Israeli products there, and have stopped this since the intifadah, remember Israeli chocolate wrappers, soup packages, and mustard labels. They imitate them and do it well. Burk estimates that the long-term damage could be in terms of a 12-percent reduction in marketing in the Arab sector.

Strauss cautions the Arab public not to remove Israeli products from the shelf, and he translates this in terms of unemployment.

"The Arab public forgets that most of them work in agriculture and industry, and if workers are laid off as a result of this in our industry, they will sit in their houses no less than any other Israeli."

Businessmen Establish Contacts in Europe

90OL0123D Tel Aviv DAVAR in Hebrew 20 Oct 89 p 1

[Article by A. Davidi: "Arab Businessmen To Buy Food From Israel"]

[Text] Merchants and businessmen from Arab countries recently made contacts with producers from Israel who participated in the international food exhibition, Anuga, which concluded last night in Cologne, Germany. An Agrexco [Agricultural Export Company] representative announced that merchants from Muslim countries in Africa decided to purchase large quantities of dates grown in Israel. These dates are intended for the Muslims living in, or visiting, Europe during Ramadan.

Similarly, the director general of Zoglobeq, Re'uven Mashkhit, announced that a businessman from Morocco decided to set up a meat-processing plant in his country, in cooperation with and with the use of the expertise of the Israeli plant. He added that, in the near future, a group of businessmen from Morocco would be coming to Israel to examine Zoglobeq's production processes.

Additional products made in Israel that won the interest of Arab merchants are humus and tahina. An Israeli company signed an agreement for the sale of these products to Saudi Arabia, with the provision that the producer and plant location not be revealed. Representatives of the Israeli companies announced that the Muslim merchants revealed a great interest in kosher Israeli products, because they meet the requirements of the Islamic religion.

Agricultural Product, Revenues Drop

*90OL0123B Tel Aviv HA'ARETZ
in Hebrew 19 Oct 89 p 11*

[Article by A. Schubert: "Before the Farmers Lose Hope"]

[Text] Recent years have not improved the farmers' situation. Once a year, at the end of the Hebrew calendar, the Economic Division of the Agricultural Center publishes the main developments in the agricultural field of that year. The report published recently has determined that in 1989, a further deterioration in the condition of Israeli farmers was recorded. This deterioration stemmed from a 7-percent decline in agricultural output, following a 13-percent decline last year. Economists of the Agricultural Center pin the continuing decline in the real value of agricultural output on the quantitative decline in the output of the agricultural field and the deterioration of trade conditions. The decline in the situation of the agricultural sector has continued through the past several years, and there is still no end in sight.

The decline in agricultural production is partly explained by the economic moderation in the Israeli economy, which deepened during the past year, and in the reduction of demands from the residents of the territories. To this, the Agricultural Center adds natural disasters. The locations were not listed this year. In February 1989, frost hit various crops, resulting in a decline in production in many agricultural fields.

The heads of the Agricultural Center claim that this serious process has lasted 10 years, without the government taking drastic steps to curb it and to make a decent living possible for the Israeli farmer. As a result of the lack of an appropriate government policy, the debt from the agricultural sector has swelled, today totaling 10 billion new shekels. These debts have caused serious harm to the agricultural sector, and have created a difficult atmosphere among many farmers; some have even put an end to their lives.

The farmers complain that the level of government support for Israeli agriculture is one of the lowest in the Western world, and this fact hurts the ability of Israeli agricultural output to withstand the existing conditions of competition in international markets. Competition in international markets has increased in recent years, and the quantities of agricultural production marketed abroad have decreased. At the Anuga food fair, currently being held in Dusseldorf, Germany, the producers of citrus concentrate in Brazil announced another price reduction, from \$1,600 per ton to \$1,340 per ton. Brazil is the largest exporter of citrus concentrate in the world, and it is the one that determines its price in the international markets.

This decrease in the price of concentrates is an intermediate phase, and in the estimation of elements of the citrus field, this decline will continue until it reaches the level of \$1,000 per ton of concentrate.

Many Difficulties

Not all of the difficulties weighing on Israeli agriculture are objective. In part, they result from the many bodies and organizations that the farmers established throughout the various branches of agriculture, which requires the agricultural product to finance the activities of these organizations, which employ many hundreds of workers. Recently, the director general of the Agriculture Ministry, Yehezqa'el Zakay termed the organizations, "the Golem that rose up against its creator." He blamed them for deepening the growers' crisis.

These organizations, in part, have not adapted themselves to the occurring changes in the scope of branch activity; their staff has continued to swell without regard to the required scope of activity.

The heads of the Agricultural Center further claim that the drastic cuts in budgets for research and development, which in the past supported the cultivation of new strains, are hurting the ability of Israeli agriculture to increase its exports. In the past, there was a significant

contribution to development that resulted in the penetration of new strains onto the European market, but the cutbacks have brought a halt to developments and, today, the retreat from marketing the Israeli agricultural product continues.

The heads of the Agricultural Center claim that the main, and most serious, problem today is the fact that moshav debt settlements are taking place on a limited scale and at a slow pace, while the kibbutz settlement has not even been crystallized in a final fashion and has not been signed. According to them, the delay in settlements is causing the debts to swell at a rate of hundreds of millions of shekels and, as such, is a burden on the activity of the farmers. The state of agriculture in Israel necessitates a policy change and a solution to the crisis in the agricultural sector. The farmers claim that, for this, it is now necessary to have a plan for the continuation of the operation of the central branches, a decrease in subsidies, and a reduction in the price of water.

Agricultural Center economists claim that last year there was a continual decline in prices that the producer and farmer received for production intended for export. The export of agricultural production declined at a real rate of 5 percent last year, after the previous-year decline of 2.5 percent. They point out further that the events in Judaea, Samaria, and the Gaza region brought a significant decline in demand, beyond what was originally anticipated. The frost that settled over Israel in the month of February was supposed to result in a reduction of offers and, thus, cause a rise in prices; however, in actuality, it turned out that prices declined due to a decline in demands.

In summary, it turns out that, despite a decline in agricultural production and the difficulties in which the agricultural sector finds itself, growth in farmers' income has begun at a greater rate than the rise of the index, due to the rise of prices of the output that was directed to the industrial plants. The Economic Division has determined that farmers' income from agricultural endeavors declined last year at a rate of 13 percent and at a combined rate of 30 percent over the past 2 years.

The heads of the Agricultural Center say that these data explain, to a certain extent, the troublesome phenomenon of abandonment of agriculture by the farmers. This is expressed by the sharp decline in the number employed in agriculture, at a rate of 8 percent last year, and the decline is continuing this year, as well.

Banks Anticipate Currency Restrictions in 1992

44000124A Jerusalem THE JERUSALEM POST
in English 30 Nov 89 p 9

[Article by Shlomo Maoz: "1992 Poses Problems for Israeli Banks"]

[Text] From July 1, 1990 the movement of capital between the 12 European Community countries will be completely free. No longer will there be any restrictions

on the movement of money for investment or personal use within the rapidly developing bloc of 324 million people.

The end to the restrictions on capital movement is, of course, part of the EC's larger goal of a fully integrating market by the end of 1992. Even countries such as Italy and France that for years have placed heavy restrictions on their companies and private citizens will have to abandon their bureaucracies to let the market practise its own brand of self-regulation. Individuals and companies will be free to make all kinds of financial transactions in any member state but to save or invest whether they like within the community.

Knocking down the barriers to free capital movements is not as simple as it might seem. The community has to reconcile the need for financial security through high standards of supervision with the need of financial institutions to respond to the rapidly changing and increasingly sophisticated needs of their customers. Rather than have the EC try to supervise the capital markets, the community has opted for what it calls "mutual recognition," which means each EC member will be required to accept the regulation of all the others. Banks, for instance, will be subject to the rules and standards of their home countries. Thus a British bank in Paris will continue to be checked and supervised by the Bank of England.

Banks whose home country is outside the EC present a different problem. For them, the community is seeking reciprocity, meaning either it will demand mutual recognition or other rules to the satisfaction of both sides.

Like other EC outsiders, Israel recognizes that if you're not in, you may find yourself lagging far behind.

Avi Olshansky, joint managing director of Bank Hapoalim, is aware of the changes going on in the EC and wants his bank to be prepared. For historical reasons, Hapoalim has only three branches in the EC: two in Britain and one in Luxembourg. Bank Leumi, by comparison, has a full-fledged subsidiary in Britain. That's going to give Leumi a great advantage, because subsidiaries are going to be able to operate all over the community as if they were EC-based banks.

A Hapoalim team of lawyers, bankers and economists charged with studying the matter will have to make a recommendation in the next few months whether to turn some of its branches into local banks as well as to set up new subsidiaries in Western Germany, France, the Netherlands and Belgium. The aim is to continue to specialize in wholesale banking rather than enter into the retail market.

There are problems in setting up a subsidiary, otherwise the choice would be more obvious. Unlike a branch, a subsidiary must have its own equity base, which means the bank must raise tens of millions of dollars (regulations generally require equity to equal 8 percent of total assets).

The Bank of Israel also has some things to say in this matter, since it will have to approve the transfer of foreign currency. David Klein, the central bank's senior official in charge of monetary policy, asks whether the commercial banks should be setting up new subsidiaries at the same time that they are being sold. To this, he more or less concedes yes, but then quickly raises a more serious point.

All told, the banks would only need to bring in the tens of millions of dollars to Europe, which does not add up to much foreign currency. Once they're there, however, all of Israel's foreign reserves should be exposed by virtue of the guaranties the banks would be undertaking with the funds. In the banking system a guaranty is unlimited, thus the State of Israel could find itself fully exposed for obligations its banks' foreign subsidiaries took on.

Olshansky says Israeli banks abroad have more work under much sterner restrictions than foreign banks even when it comes to lending to Israeli firms in Israel and abroad. The main reason is that some certain officials with monetarist views at the Bank of Israel are afraid that the unrestricted flow of funds in and out of the country can harm foreign reserves.

Israeli banks should be patient. Israeli banks abroad have fewer restrictions about giving loans to Israeli companies than a few months ago. Only a few months ago the central bank allowed the banks to use up to 80 percent of their Patah deposits for loans abroad, compared with the 60 percent ceiling before. The Bank of Israel also is allowing the banks to joint syndicates and consortiums without the traditional guaranties.

Hapoálim's Olshansky agrees that the central bank has done a lot to deregulate the system. But he wants to speed up the process. Israel has a huge trade volume with the EC. The banks should help Israeli companies to penetrate community markets and provide them with new services, such as cash management, automatic letters of credit or acting as co-leaders or leaders in financial syndicates. Today there are cases where Israeli companies can find market niches for their products, but for lack of money resources, they can't exploit the opportunity.

Klein concludes—and it seems that Olshansky tends to agree with him—that anything connected with the globalization and success of the Israeli banking system depends on the full liberalization of foreign currency. But this can be achieved only when inflation here and abroad are running at the same pace. Only a stable Israeli currency can allow liberalization. But to achieve all those goals the government should first of all take steps to fight inflation.

Arab Population Centers in Jewish Cities Record Growth

44000148 Tel Aviv DAVAR in Hebrew 25 Dec 89 p 2

[Text] According to research conducted by Yosef Ben-David and 'Amiram Gonen of the Hebrew University and presented at the annual conference of the Israeli Geographical Association, Arab population centers in cities with Jewish majorities have been growing since the 1970's. Ben-David and Gonen believe that there are several reasons for this, including the increasing urbanization of the Arab population, the relatively large number of jobs in Jewish cities, mobility among the Jewish population, which creates a supply of housing larger than that in Arab villages, the willingness of Arabs to settle in Jewish towns, and the increasing willingness on the part of Jewish residents to accept Arabs as their neighbors.

Crisis in Higher Education, Research Predicted

900L0123E Tel Aviv DAVAR in Hebrew 20 Oct 89 p 16

[Article by Y. Fishbein: "The Best Will Remain in the United States"]

[Exerpts] Israeli academicians with skills in different areas are found today in the United States, and there is no way to induce them to return to Israel. The main reason for their refusal is not the low salaries or the living conditions in Israel, but the declining research conditions, old laboratories, and limited research budget. The universities are barely succeeding to balance themselves economically, and therefore they don't have the resources to guarantee the next generation of researchers.

The academic year will begin in 2 more weeks. The rector of The Hebrew University, Prof Yoram Ben-Porat, believes that it is still possible to stop the decline. [passage omitted]

[DAVAR] Israeli students are leaving the country. What are we doing to prevent this phenomenon?

[Ben-Porat] Their leaving is not because of tuition. We pay \$1,600 for tuition, while in the better universities in the United States they pay much more. Our top students are given scholarships and assistantships, but our opportunities are limited. In my opinion, the problem is not that we are losing students who are travelling to learn abroad but, rather, the ability to absorb those who return.

Students in many countries of the world prefer to study in other lands. I, too, studied abroad. There is a challenge in this for youth, who must adapt themselves to learning-conditions that are unfamiliar to them. The worst problem is that students who complete their doctorate abroad are unable to return to Israel. In Hebrew University, we can absorb 20 returnees per year. And in all of the universities together, the number is not more than 100.

Many students want to do a post-doctorate abroad, and when they want to return, we have to tell them: Sorry, there's no room. And then, there is a decline that does not appear in any statistics. They are registered as students, but, in essence, they don't return.

[DAVAR] In approximately 5 more years, hundreds of professors will retire, and the universities will deteriorate. What are you doing to forestall this evil?

[Ben-Porat] We are dependent upon the government. A responsible national leadership would make resources available to us for evaluations of the switch in manpower. The elite are aging. True, not everyone, but if it were possible to bring 35 new top-ranking people to Hebrew University each year, the situation would be much better. But the budget that the Government of Israel is willing to allot for higher education is not enough. The time has passed when they could tell us, "become more efficient." The universities are working and are administered well. I think that if there were regard for our international standing, they would increase the budget.

Hebrew University is currently in the recovery phases of a serious budget crisis. All of the universities have experienced economic difficulties of this or another nature. The conflicts between the Education and Science ministries have not added one cent to the budget. Many argue over the slicing of a small cake: Who will cut it, and into how many pieces. The government has authorized a \$70-million, 4-year recovery program, but for 1987 values, not those of 1990.

A university is not a paper factory. It is impossible to bring unemployed workers who will lecture and do research in a university. Manpower must be built up over the years. [passage omitted]

[DAVAR] Prof Joshua Yortner, head of the National Academy of Sciences, has warned of a scientific regression of the sciences in Israel.

[Yortner] There are indications of the erosion of the quality of Israeli science and its standards. Ten years ago, we were at a much higher level in the scientific world, in such areas as polymers, biophysics, and atomic physics. We were regarded as one of the powers: We were invited to conferences, we were asked to participate in writing scientific books and international scientific reports. But, today, there is erosion and deterioration.

I agree with Professor Ben-Porat that there is difficulty in absorbing the returnees, but there is an indication that the better ones hesitate or refuse to return. There are some very distinguished Israeli scientists in universities in the United States who refuse to return, not because of wages and the standard of living, but because of the research conditions.

There is a masked decline. The top researchers spend half a year abroad, because of the inferior level of research facilities in Israel.

Six months ago, there was a conference in Jerusalem on biophysics. One of the best lectures was given by a young Israeli. I tried to convince him that he should return to Israel. He refused and said that he is going to Stanford, because the research facilities there were much superior to that which he could get here.

A few years ago, when a student received an Alon fellowship, he would regard it as a sign of esteem. In recent years, we have given Alon fellowships to excelling students, but they refuse to accept them and remain abroad. The best ones refuse to return.

The Americans have methods to encourage our young generation to remain there. Today, they are also turning to the Jewish scientists in the USSR and are inviting them to come to the United States. Until a few years ago, we could compete for them, but not today—both because the atmosphere has become more difficult and as a result of the fact that this topic is on the bottom rung of the preference ladder.

I fear for the consequences regarding the nature of the relations between us and the young generation of Jewish leadership. They are all university graduates, and even Nobel laureates, and if the connection with them is not based on quality, it will cease to exist.

Hang Glider Acquisitions Profiled

90OL0104C Tel Aviv BAMAHA
in Hebrew 25 Oct 89 p 10

[Article by Sharon Sadeh: "The Hizballah Also is Acquiring Hang gliders"]

[Text] Dozens of sport hang gliders, which are cheap and can be converted easily to terrorist purposes, were purchased recently by the organizations of Ahmad Jibril, Abu-Nidal, Abu-'Abbas, and the Hizballah.

This emerges from a letter that was published recently in the Italian newspaper *CORRIERE DE LA SERA*. According to the newspaper, in 1981 Jibril's organization purchased several small aircraft from the German Seeg plant, that belongs to the Firebird company, which manufactures hang gliders. They were transferred directly to bases of the organization in Rayhan and 'Ayn al-Sabah in Syria. Another contract for the supply of 10 more hang gliders was signed in 1988.

In France, as well, small aircraft was sold by the Lateco Air company directly to the Iraqi government. These were turned over to the organization of Abu-'Abbas. At the end of 1987, writes the Italian newspaper, Libyan emissaries arrived at another French plant, by the name of De Bouffle. They purchased, for cash, hang gliders which were turned over to Jibril and Abu-Nidal, who adapted them for carrying explosive devices. According to the newspaper, the Iranians also are customers of De Bouffle, and small aircraft are in the hands of the Revolutionary Guards and the men of the Hizballah in the Lebanon Valley.

The Palestine Liberation Front organization of Abu-'Abbas directed its efforts to the British Pegasus company, and has purchased from it several hang gliders through British businessmen. The managers of the British company stated that they were not aware of the fact that their small aircraft were finally turned over to Palestinian terrorists.

According to Major General 'Uri Ram, the commander of the antiaircraft forces, the Airforce is following the efforts of the terrorists to purchase hang gliders, and is taking appropriate measures. "We are aware of the fact that the hang gliders are not being purchased for sport, but for terrorist purposes. Therefore, following the lessons learned from previous attempts at penetration with the aid of hang gliders, antiaircraft defenses have changed their deployment and increased their strength in the northern part of the country. In addition, the mobility and flexibility of the units has been improved, and their preparations change regularly."

Major General Ram stresses that the role of the antiaircraft is not only static. "All the antiaircraft emplacements are ready to pursue and shoot down aircraft. Various antiaircraft units even carry out initiated ambushes in various regions in Lebanon, while cooperating very successfully with additional infantry forces."

Commentator Examines Likud Options

44230049A Tel Aviv HA'ARETZ
in Hebrew 7 Nov 89 p 13

[Article by Dan Margalit: "Blessing for the Road"]

[Text] In their attempt to blame Barry Goldwater's falling behind on the presidential electoral campaign in 1964, his aides launched a new slogan: "Deep down you know he's right." Deep down, Yitzhaq Shamir and his aides—whom one of the constraints ministers dubbed "rotten apple" and "worms"—know that David Levy, Ari'el Sharon, and Yitzhaq Moda'i's interpretation is right on target. Shim'on Peres, too, realizes this. The government's decision to accept James Baker's five points is exactly what the constraints ministers say it is and what the finance minister is trying to keep quiet.

Covert negotiations are already under way with the PLO, and they will soon become public. Under discussion will be not only elections in the territories, but also the basic guidelines for an intermediate stage toward political settlement. More than one solitary meeting will take place in Cairo. The "six assumptions" tacked on by the government to the decision to accept Baker's five points as a means of disguising this political reality are nothing but wishful thinking.

As far as Washington is concerned, Jerusalem can assume whatever it pleases—not only a return to Camp David, but even that the negotiations will resume on the basis of the Faysal-Weitzman agreement of 1919. The main thing, Baker will say, is that the Israeli "assumptions" are not a condition.

Neither can Shamir and Moshe Arens claim that the government presented them as a condition, because that possibility was discussed by the forum of the four and the cabinet, and dropped; and because even a more flexible formula than that—to present acceptance of Baker's five points as "dependent on the six assumptions"—was rejected.

Shamir made a significant concession for the sake of a cool reception at the White House. Under those circumstances the constraints ministers, too, could have joined the Alignment claims that if this

JORDAN

'Royal Jordanian' Moves Toward Privatization

90OL0114A London AL-HAWADITH
in Arabic 10 Nov 89 pp 50-51

[Article by Farid al-Khatib]

[Text] Husam Abu Ghazalah, in his first press conference following the issuing of the royal decree appointing him director general and chief executive of the Royal Jordanian Airlines, outlined the most important resolutions adopted at the 26th marketing and sales conference. The conference was held in the Plaza Hotel and was attended by Khaldun Abu-Hassan, chairman of the board of directors, members of the board, the executive vice presidents, and the airlines station managers worldwide. The resolutions, he said, deal with the question of operations; they concern a limited reorganization process calling for laying off some of the employees in the Royal Jordanian Airlines in the United States, particularly those in stations that have been closed down (Miami and Los Angeles). They also call for pursuing a policy of "rewarding the achiever and penalizing the inefficient" among the company employees.

Iyad al-Khalidi, vice president for marketing and sales, talked in detail to AL-HAWADITH about the conference resolutions. He said the resolutions call for increasing the rate of occupancy in the company's aircraft to 70 percent so that it can make a profit prior to turning it into a private company. The resolutions also call for exploiting the company's worldwide network of air routes, as well as its installations and potentials in Queen 'Aliya International Airport, diversifying take off points, improving services, and increasing cargo volume (with two cargo aircraft being available). Additionally, the low dinar rate of exchange should be exploited in order to increase the number of tourists the company's planes carry to Jordan.

During the Royal Jordanian marketing and sales conference, which AL-HAWADITH attended, the lights were turned off so that the vice president for planning could explain, with the help of a screen and slides, the company's performance during 1988-89. The figures showed that the company's production has dropped in terms of

the number of passengers and cargo traffic and its revenues have dropped by 0.02 percent.

When the financial report was discussed, one of the conferees raised the question or problem in pricing and distribution of production and the percentage of tickets allotted to each station. Another conferee raised the question of selling 82 percent of the company's tickets through distributing agents in Frankfurt and Paris and leaving the rest to individual sales agents. But when Husam Abu-Ghazalah proposed to the conferees reviewing this arrangement, they favored continuing with it. One of the conferees stressed the importance of exploiting the potential of the big hotel that Royal Jordanian owns at Queen 'Aliya International Airport.

In his speech before the conference, Khaldun Abu-Hassan said that the Royal Jordanian, which King Husayn Ibn-Talal described as "the family of giving and belonging", is "a living symbol of our people's dynamism and ability to develop major projects." He called for emulating progress achieved in the field of aviation industry, "which is exemplified in the United States' lifting restrictions and in Europe's liberalizing of this industry as well as in what is currently taking place in the world in the way of concentrating airlines in major conglomerates." He stressed that "the recent drop in the dinar rate of exchange will encourage tourism in Jordan."

Khaldun Abu-Hassan, who is also chairman of the Amman Chamber of Industry and the chambers of industry in the Arab Cooperation Council [ACC], which consists of Egypt, Iraq, Jordan, and the Yeman Arab Republic [YAR], said that the ACC will seek to "remove obstacles hindering the movement of capital and manpower and the flow of goods and services between the ACC member states." He stressed that the council will be a bulwark for the achievement of "Arab economic integration and a nucleus for the establishment of an Arab common market."

Addressing the conference, Husam Abu-Ghazalah categorized the new stage in the life of Royal Jordanian as one of "reappraising strategies and enhancing gains in order to face the challenges of the present and the future." He noted that the world aviation industry is inclined toward "lifting restrictions, liberalizing transactions, and universal conglomeration." This has led to "the establishment of universal distribution systems and the emergence of gigantic alliances, ranging from joint marketing projects and arrangements for sharing cipher code to exchange of stocks and total integration." He stressed that "we are at present living in an age distinguished by specialization, enhancing automation and diversification, and new communication and information systems." He announced that the Royal Jordanian has established a "new decisionmaking mechanism so that important decisions are made after indepth studies and discussions inside the executive administration committee and meetings with consultants."

Abu-Ghazalah noted that at present cargo represents "18 percent of the corporation's general revenue." "During the past 9 months," he added, "the Royal Jordanian trained 2,482 persons, of whom 22 percent are employees of Arab and foreign airlines." He said that "17 aviation companies regularly use our services to provide food. Our total production during the high season reaches 9,000 meals a day."

Regarding the endeavor to increase the corporation's sales, the executive director of Royal Jordanian stations worldwide said that "there is no alternative to professional marketing," for which he defined eight principles. These call for the station manager to provide incentives to those working in the station, to study the market, to carry out a regular appraisal of the aviation political climate, and to enhance the means of delivery and sales. He pointed out that the station manager receives the full support of headquarters in facing problems and forecasting events.

The vice president for marketing and sales affairs stressed that "we live in an era of stiff competition that does not allow any small aviation company to survive." He said that "the road to the future is filled with challenges and hopes," which is the conference's slogan. He stressed that the corporation's administration has sought to reduce its expenditures by "streamlining the route network, cutting administrative expenses, and closing certain offices." He called for "increasing the sales volume, opening all the potential markets, diversifying available sources of income, developing group travel, and exploiting the first class and business class seats in a better and more comprehensive manner." He called for "reducing daily expenses and administrative expenditure as well as improving means of revenue transfers from other aviation companies in order to insure constant cash flow." This is in addition to "concentrating on promoting cargo traffic."

'Aql Biltaji, vice president for passenger services, said that the "American Federation" has awarded Royal Jordanian high marks for security measures. He stressed that the company's level of hygiene is among the highest in the aviation industry, as attested by the international aviation companies, such as the British Airways and the Scandinavian Airlines System [SAS]. But he warned station managers against transporting passengers not carrying valid visas in their passports, which cost the company fines twice the cost of their tickets.

Abu-Ghazalah announced that the corporation is preparing to provide health insurance for the company employees after retirement and for life.

At the conclusion of the 26th marketing and sales conference the executive director held a press conference at which he stated that in his new management of the corporation he will depend on a twice-weekly meeting under his chairmanship to discuss strategic matters and to be attended by five other directors. This is in addition

to a twice-monthly conference under his chairmanship to discuss general matters. This is to be attended by 17 other directors.

The executive director said that in addition to the fact that the corporation owns Tristar and Boeing aircraft, it leases five Tristars which it had earlier sold through a group including 27 banks headed by the Indosuez Bank, for which the group paid 192 million dinars. The lease is for 8 years, and after 10 years the Royal Jordanian can repurchase these aircraft for one dollar each. Each of these planes is 12 years old.

After asserting that leasing, which enables economizing during low seasons during the year, is the economic method being followed in aviation, he announced that the Arab Aviation Council has charged Royal Jordanian, the Kuwaiti, and the Moroccan airlines to form an Arab company for plane leasing, particularly since the Arab countries need 200 planes up to the year 2,000. He noted that coordination between Royal Jordanian and Egypt saves it 13 minutes of flight in each trip to Jordan.

He said that the debt Royal Jordanian owes to the Jordanian Refinery Company totals about 29 million dinar, and that they owe the Social Insurance Authority about 9.2 million dinars. Meanwhile, he stressed, the transport rights which the corporation owns are worth hundreds of millions. He said that the maintenance and engineering installations the company owns in Queen 'Aliya International Airport save the company 42 percent of the maintenance costs.

Abu-Ghazalah said that Royal Jordanian carries passengers and cargo to four U.S. cities, after the measures taken on 8 September to close Miami and Los Angeles stations. This is in addition to closing the Athens office. He expected total traffic on the company's planes in 1989 to reach 1.214 million passengers, 53,000 tons of cargo, and 750,000 tons of air mail.

He confirmed that it is intended to turn Royal Jordanian into a private shareholding company, something that "needs further study and preparation. This will not happen in the near future." It would take place after the company's balance sheet goes from red to black.

AL-HAWADITH asked Khaldun Abu-Hassan, chairman of the board of directors of Royal Jordanian airlines, about the leading role he plays in the company alongside Husam Abu-Ghazalah, the director general, and the chief executive. He said that his role is of a "financial, auditing, and legal" nature and, as chairman of Amman Chamber of Industries, is to bring together the Royal Jordanian officials and Jordanian and Arab industrialists, businessmen, and financiers.

Leaflet Attacks Christians, Circassians

44000149 Tel Aviv HA'ARETZ
in Hebrew 22 Dec 89 p 2

[Text] Christians in the West Bank and East Jerusalem are very angry about a leaflet from Jordan that was

distributed 21 December 1989 in East Jerusalem, which attacks Christians and Circassians in Jordan and calls for an end to "the control by these minorities in the Jordanian Kingdom." The leaflet asserts that Christians hold high-level government positions, and that they are responsible for corruption and the difficult economic situation in Jordan. The leaflet also mentions by name the head of Jordan's health services, who is a Christian, and the head of the that country's security services, who is a Circassian.

LEBANON

New Mufti Interviewed

90OL0116A Cairo AL-NUR in Arabic 8 Nov 89 p 3

[Interview with Shaykh Muhammad Jalal-al-Din by Muhammad Fathallah: "Al-Ta'if Meetings a Beginning, Not End of Solution"; first three paragraphs are AL-NUR introduction; date and place not specified]

[Text] His Eminence Shaykh Muhammad Jalal-al-Din, the mufti of south Lebanon and Sidon, graduated from al-Azhar College of Law and the Islamic Shari'ah in 1943. He was appointed a Lebanese city judge, then chief of the Sunni Supreme Canonical Court, and was retired in 1983. Recently, he assumed the position of mufti following the martyrdom of Shaykh Hasan Khalid.

AL-NUR took advantage of his visit to Egypt to attend the Agha Khan Islamic Architecture awards ceremony to hold with him a comprehensive interview which dealt with the Lebanese issue in all its internal and external dimensions and the future of Lebanon under the transitional period the country is going through. It also dealt with the possibility of applying the Shari'ah in the Islamic world today.

His eminence the mufti disclosed to AL-NUR the external pressures the Islamic world is facing and talked about the role Islamic countries and world Islamic institutions and organizations should play to realize Lebanon's Islamic identity. He lauded the Palestinian intifadah [uprising] and the import it has given the world about the Muslims and their future.

My first question to his eminence the mufti was about the al-Ta'if meeting in Saudi Arabia.

His eminence said: "The al-Ta'if meetings are indeed a blessed step undertaken by the Arab League through the good offices of the tripartite committee which undertook this task. We have come to expect much from these meetings in view of the international backing and the great universal efforts the Arab brothers have made to resolve Lebanon's crisis. This, however, will not be the total and final solution, but rather the beginning of a final solution to the Lebanese problem.

"The plan the tripartite committee put forth, which contains reforms in Lebanon, is a new plan which has been debated and agreed upon by everyone, but not

before amending certain points related to presidential power. These points have been slightly amended and there are certain sensitive points on which we hope to agree soon. Lebanon shall come out the victor and the solution march shall be completed because the Lebanese problem is linked to the problems of the East, the Palestinian question in particular, for it is not possible to solve the Lebanese problem unless all other problems pending in the Arab world are solved as well."

Abolition of Sectarianism

[AL-NUR] What impact do you expect the conciliation document to have on the Sunnis' political status?

[Mufti] The Sunni Muslims in Lebanon under the old system used to consider themselves as second to the Maronite sect in the number of parliamentary seats they held, in as much as there were Sunni Muslims, Druze, and Shiites. The Sunnis held 45 seats and the other sects 55 seats. Jobs used to be distributed on the basis of this ratio, but the new document equates between the Muslims and Christians in the number of parliamentary seats. This plan which, God willing, will be implemented in stages, provides for the elimination of political sectarianism in the sense that the system of dedicating positions to each sect will be phased out and leadership will be conferred on the basis of merit.

About the role of world and Islamic institutions and organizations in building Lebanon's Islamic identity and their efforts to take care of Muslim families during the 15-year war, his excellency said:

"Islamic and world institutions and organizations are totally bound to Islam. Islam enjoins everyone to serve one another and to be one body, wherein if one organ suffers the rest of the organs come to its rescue. The prophetic tradition says something to the effect that 'He who fails to take care of the Muslims is not one of them' and 'He who fails to be in the morning and in the evening a counselor of God and of His prophet, His book, His imams and the rest of the Muslims is not one of them.' Based on this tradition we can say that the institutions and organizations have a key role to play in building Lebanon's Islamic identity, something that can be achieved through cooperation. Given the magnitude of events in Lebanon, however, these institutions have played an extremely weak role, but we hope and ask that they play an active part, for this is a duty enjoined on them by Islam."

Brisk Awakening

[AL-NUR] Can you cite the features of the Islamic awakening in Lebanon and its future under these circumstances?

[Mufti] The Islamic awakening in Lebanon started quite a while ago and thank God it has been proceeding on the right track. Events during the Israeli invasion in particular have underscored its strength, its interaction with the people, its stand, and its steadfastness in the face of

the Israeli occupier. God willing, this awakening will go through its share of changes expected to occur in Lebanon.

Shaykh Hasan Khalid

About his eminence, the late Shaykh Hasan al-Khalid's martyrdom, and its impact on the current Lebanese situation, his eminence said:

"The assassination of the late Shaykh Hasan Khalid played a major role in guiding Islamic public opinion and in raising the proper consciousness. For there is no doubt that his martyrdom had a great impact on everyone. But the Muslims have eminent men capable of leading the march, especially in circumstances such as these. So we hope God will help us to provide the right leadership to assist the Muslims in pursuing their goal and achieving their purpose."

[AL-NUR] The Islamic gathering in Algiers proposed the formation of a higher advisory council for Islamic affairs. What do you think of this proposal and can it be achieved and how?

[Mufti] The proposal is very good. It is necessary to have in Islamic countries a council of senior Muslim ulemas who ought to meet at any location of their choosing to discuss new developments in our era. This is known as an advisory council or a world Islamic council. On my part, I support such a good proposal and believe that should it become a reality it will definitely yield good results. I am certain of that.

Outside Pressure

[AL-NUR] What outside pressures is the Islamic world facing today as Your Eminence sees them?

[Mufti] First, there are Israeli pressures. Israel's existence and its doctrine to establish a Jewish state from the Nile to the Euphrates compel it to work hard to realize its dream. In addition, there are fanatic crusader pressures which from times of old have been directed at striking Islam from within. There are also the colonialist ambitions of the superpowers that are working diligently to destroy Islam and undermine its society in an effort to spread their dominant influence over Islam and the Muslims.

About his vision of the current Palestinian situation and how he envisaged the future of this cause, his eminence replied:

"All that concerns me in the current Palestinian situation is the intifadah which has made us proud and has restored our Islamic glory and dignity. I see this intifadah today as the duty of every Muslim and every Arab who must stand behind it, because through it our brothers in the West Bank and the Gaza Strip can realize national glory and wash away the infamy of the Israeli occupation which is still there.

"My conception is that the solution to this problem will begin with this intifadah and its good results and the Palestinians will then return to their homeland to set up their state. Based on what we know and what we hear, this, God willing, will happen in a very short time. But for this intifadah to bear its fruits, all Arab and Islamic states must give it as much support as they can, be it material or moral."

Application of Islamic Shari'ah

[AL-NUR] Can the Islamic shari'ah [code of law] be applied practically in present Islamic society?

[Mufti] The practical application of the shari'ah requires greater awareness and a choice of advocates capable of guiding Islamic opinion along this path. That is why God Almighty said: "Let there arise out of the people inviting to all that is good, enjoining what is right, and forbidding what is wrong." [Koran, 3:104]

There are not enough advocates in the arena to lead the call for the application of God's law on earth. If indeed they can be found, we would attain a true Islamic society. The prophetic tradition says: "Enjoin what is right and forbid what is wrong," or "Let God give power over you to the wicked among you, so when the good among you call they will not be answered."

I believe that world situation is now suited for the application of the shari'ah. We would not want to lose this opportunity, particularly in view of the present Islamic awakening which, too, is a chance for the advocates and vigilant guardians of Islam to use this door to arrive at an Islamic world that follows the Islamic shari'ah course.

I also call upon the advocates to enforce promptly God's law and to ask their rulers to do the same and to stand up to the international design aimed primarily at hampering the Islamic tide inside its territories.

SUDAN

Nationalized Agriculture Urged To Boost Wheat, Sugar Crops

90OA0152B Khartoum AL-QUWWAT AL-MUSALLAH in Arabic 1 Oct 89 p 5

[Editorial by Mustafa Muhammad 'Abd-al-Fattah: "Northern Region and Wheat Production"]

[Text] I read the 25 September 1989 issues and as usual they contained new and useful things. As our ancestors used to say that "every new thing is a novelty and every novelty is a delusion and every delusion is in the fire." Some well-known journalists have specific stances on some of the tasks surrounding society. At times they stand by them and, at other times, they steer away from them. One such stand supports the idea of halting the importation of certain basic commodities in which we can, with some effort, become self-sufficient, or can turn

to available alternatives that can realize a measure of satisfaction. It is better than relying on others, for all agricultural goods in particular, for we owe it to the world to supply it with rather than ask it for these goods in these times of ours when we are seeking to prepare our country to become the bread basket of the world.

We can in the short term achieve self-sufficiency in wheat, sugar, rice, lentils, and other things we import, and in the long term aspire to export. This can only be attained by building reservoirs. We have before us a study prepared by our countrymen Dr 'Umar Muhammad 'Ali, an economist with the Kuwaiti Fund. It is aimed at building the Sharik reservoir to make use of the fifth falls in generating power, irrigating farm land, and linking the Nile Province by railroad to Sudan East and to Egypt as well, to make it easy for tourists to get to the Sudanese archeological sites when they finish with the tourist city of Luxor.

The construction of the Sharik reservoir in the Nile Province is sure to achieve self-sufficiency in wheat, sugar, lentils, and rice. Consequently, it is inevitable that we should think seriously of establishing wheat and sugar cane farming in the Nile Province, possibly achieving self-sufficiency in a few years. Thus we can rise to the level of enabling consumers to obtain a loaf of bread for five Sudanese piasters, as is the case in our dear neighbor Egypt, where climatic conditions for wheat and sugar cane farming are similar to those in part of the Nile Province and the Northern Region in general.

I had read that bread in the national capital is cheaper than bread in Cairo, considering that the Sudanese pound is equal to the dollar account that represents the Egyptian pound which buys 20 loaves of bread equal in weight and quality, while the Sudanese pound buys 4 loaves, a numerical difference of 16 loaves between the two currencies.

Perhaps the originator of this fleeting view and passing glance agrees with us that the objective yardstick is to presume that the minimum wage in Cairo represents 300 purchasing units, the same as in Sudan. People in Egypt can use one unit to purchase 20 loaves of bread a day while the Sudanese people using one purchasing unit can get 4 loaves of the same kind.

This is the second objective yardstick, especially since economic matters must be dealt with impartially and scientifically, using appropriate yardsticks and statistical studies based on internationally agreed-upon rules free of interpretations that serve no great purpose.

Purchasing units representing low-income classes is the only yardstick that should be used to the exclusion of all other yardsticks that do not yield the best results.

**Documents of Alleged Coup Conspiracy Seized,
Cuba Implicated**

90OA0151A Cairo AL-SHA'B in Arabic 21 Nov 89 p 2

[Article: "Four Documents Reveal Involvement of Kenya, Ethiopia, East Germany, and Cuba in Conspiracy"]

[Text] Conspiracies and plots are being hatched against the national government in Sudan, aimed at upsetting domestic stability and fomenting civil war in all parts of Sudan. The ultimate purpose of this plot is to take over the reins of power in the country by forces and elements that seek to ambush efforts aimed at restoring national unity in Sudan.

The strange thing is that regional and international powers have joined to achieve this goal. Information concerning the dimensions of the plot reveal how its threads became interwoven in recent times. Participating in the plot are Kenya, Ethiopia, the German Democratic Republic, and Cuba. The Sudanese security organization recently seized four documents that confirm and leave no room for doubt concerning the complicity of these powers in this conspiracy.

In light of that, the leadership of the Revolution of National Salvation has tasked the leader of the Sudanese security apparatus, Lieutenant General 'Umar al-Bashir, to prepare a detailed dossier to document the plot, preparatory to submitting it to President Husni Mubarak, in his capacity as chairman of the OAU, in order for him to intervene with the African nations implicated in the plot.

The seizure of the four documents was done through the Sudanese authorities arresting six Sudanese persons, well known for their loyalty to the previous Sudanese regime. Those persons had recently visited Ethiopia and met with a number of Ethiopian political and military officials. Moreover, they also met with certain Kenyan officials. The documents, which were obtained from these six Sudanese persons, disclosed that Sudanese rebel leader John Garang has sent a letter to a prominent Sudanese personage.

The meetings that were held with the Ethiopian and Kenyan officials were aimed at obtaining direct military support, and concerned those two countries' military intervention, in the event widespread domestic upheaval occurred. Planning for that event was being done by elements loyal to the previous regime. These disturbances were scheduled to occur in the last third of this month. It had also been decided to have them break out in several Sudanese cities simultaneously, within the framework of vast political demonstrations, during which the demonstrators would demand the resignation of members of the Sudanese ruling military council, and the holding of general elections.

The plans called for the demonstrators to seize control over certain important points in these Sudanese cities.

The plans also included that, in the event the Sudanese army intervened to restore order on Sudanese territory, the two African nations, with the assistance of Sudanese rebel forces in the South, would undertake to oppose the army.

The ultimate purpose, for which this plot was designed, was to foment widespread civil war in Sudan, which the military council would be unable to control. Then, the southern forces would seize other Sudanese cities. The documents that were seized along with the conspirators revealed their obtaining direct military assistance from Cuba and East Germany, and that these contacts were made through rebel leaders in southern Sudan.

It should be mentioned that the Sudanese delegation led by Sudanese Minister of Interior Faysal Abu-Salih, which recently visited Cairo, disclosed some of the information regarding the plot, during its meeting with President Mubarak. President Mubarak promised immediate intervention to put an end to these conspiracies to which Sudan is being subjected.

**Peoples' Committees Said To Lack Definition,
Direction**

*90OA0177A Khartoum AL-INQADH AL-WATANI
in Arabic 16 Oct 89 p 3*

[Article by 'Abd-al-'Azim 'Awad in "Echoes" column: "The Peoples' Committees"]

[Text] Eight thousand citizens have been chosen to work as volunteers on peoples' oversight committees for services in the national capital. According to statements by the commissioner, they will take the oath of allegiance before the leader of the revolution next Thursday, marking their commencement of a great national task and their assumption of weighty responsibilities that they have approached purely of their own volition, without enticement or compulsion.

Although the ordinance founding these committees has defined their responsibilities and powers, which are essentially restricted to the fields of public service to citizens and to the reception and distribution of supplies, there is some uncertainty about these powers. In particular, the ordinance was tersely worded and does not contain details or an explanatory memorandum spelling out its intentions. For example, the section on the maintenance of public order requires a precise and immediate definition of what is meant by "public order," in view of the sensitivity of this question and its connection with needs that are closer to being private. Previous similar experiments have showed that "nosey" interference can occur if responsibilities are not defined unequivocally.

Since these committees according to the commissioner's statements are embarking upon a broader and more comprehensive experiment, with their operational areas extending to include political, cultural, and social fields, we consequently expect that the method of selecting their

members will be reviewed, so that this will take place by free direct election, starting with the base in neighborhood and team and up to the region level. The method by which members of the current committees were chosen is not the ideal one in such cases. Although those in charge of choosing these committees have tried to defend their point of view, we believe they have not been successful. There is an element of obvious vagueness in the criteria for committee membership. How can the selection process be left to persons who have no close or even remote connection with the affected neighborhood? We assume that the head of the city or area council is not an expert on the biographies of the applicants, even if we do not say that he does not know them at all.

In general, the members of these committees are embarking upon a difficult test. Either they will pass it and prove their fitness to bear responsibility, or they will fail—and, like Baraqish in the proverb, bring injury upon themselves.

Textile Production Poised for Growth, Suffering Setbacks

90OA0177B Khartoum AL-INQADH AL-WATANI
in Arabic 8 Nov 89 p 5

[Interview with Fath-al-Rahman al-Bashir, head of Sudanese Businessmen's Union in Khartoum: "Can We Make What We Wear?"; date not given; first two paragraphs are AL-INQADH AL-WATANI introduction]

[Text] "We should grow what we eat and make what we wear," is a slogan that the revolution has raised and tried to realize, because this is the only way out of the tunnel of dependency and the humiliation of relying on others. This means that there must be an end to the period when our cottons, famous as the best varieties in the world, are exported as raw materials and return to us from Switzerland and England as textiles and overpriced garments tagged in clear Arabic script, "Made from the best varieties of Sudanese cotton."

During the economic conference, AL-INQADH AL-WATANI met with Mr Fath-al-Rahman al-Bashir, head of the Sudanese Businessmen's Union and a pioneer in the Sudan's textile industry, for a short conversation about problems of the textile industry and about the country's currently available resources that would make it possible to reach the level of self-sufficiency in this area.

[Al-Bashir] I would have wanted the conversation to be about Sudanese industry as a whole, since it is now deemed to be the fundamental issue in treating the problems of the Sudanese economy. However, complying with your request, I will talk about one of the important sectors of Sudanese industry.

All Elements Available

I assure you that all the factors and elements required for the success of this industry are available in the highest

degree. There are varieties of cotton of different grades—short-, medium-, and long-staple; and cotton, as we know, represents the basic raw material in the textile industry. Then there is the human element, represented by engineers, technicians, and skilled workers. In any country, they form the second element in this industry, and the Sudan is famous for the availability of engineers, technicians, and skilled workers. Our brothers in the Gulf countries know this, for it occupies first place in every engineering and technical enterprise.

The third element is the ordinary work force. Compared with any other industry, this industry requires a large work force. The fourth element for the success of this industry is the availability of a market. Because of the customs of its people, the Sudan is known to be one of the developing countries highest in textile consumption. This means that the Sudan constitutes a large market for any product. In addition, there are numerous other markets in Africa, the Arab world, and Europe. These need cotton textiles as an alternative to artificial fibers and other non-cotton materials.

[AL-INQADH AL-WATANI] On this understanding, the Sudan ought to be one of the best known centers of the spinning and weaving industry. What then are the obstacles?

Major Losses

[Al-Bashir] With great sadness I say that despite the presence of these positive elements, certain problems that should never have been intractable have held this industry back and hampered its movement. Major losses to the Sudan as a whole and to spinning and weaving factories in the public and private sector were the result.

Among these problems was the insufficient availability of electrical power. Foreign currency was not available to cover such supplies for the industry as spare parts and chemicals. There was emigration of the work force—engineers and technicians—to the Gulf countries. The door was opened to imports. Furthermore, huge quantities of textiles were smuggled into the country.

Opportunity Still Exists

These are the main reasons that impeded the course of this important industry. Nevertheless, there is still a chance for this industry to realize its economic and social goals, if government efforts intertwine with those of the Sudanese Union of Industries and the management of the public- and private-sector spinning and weaving industry.

[AL-INQADH AL-WATANI] But can we improve our production to compete with imported goods, so that we gradually dispense with them?

[Al-Bashir] As regards the quality and variety of production, so that it satisfies the demands and taste of every man and woman, as well as the needs of our children, I assure you that the spinning and weaving factories now

existing in the country, with their very modern machines and equipment, can produce the finest that can be produced in Europe, Japan, the United States, China, and other countries. What is now needed is to deal with these clear and easily soluble problems. There is great hope for the economic conference being held during these days. We hope that it will lay down appropriate solutions that will enable this industry to take off, so that it will realize all its aims and goals, thus making the slogan, "We must wear what we make," come true.

Editorial Suggests Ways To Boost Jobs, Curb Unemployment

90OA0152A Khartoum AL-QUWWAT AL-MUSALLAH in Arabic 12 Sep 89 p 4

[Editorial by Mustafa Muhammad 'Abd-al-Fattah: "Hiring Freeze Policy"]

[Text] This year's budget has jumped to 8 billion Sudanese pounds [SD]. At no time close to the end of any decade did it approach the 1 billion mark. Today, spending reports indicate that the wages and salaries item has gone up to over 13 billion SD, the bulk of which is borrowed from the banking community, and this amount is being covered by levying new taxes on workers, including those whose modest income is below the subsistence or poverty level.

Let us suppose that the government can freeze hiring for jobs vacated through voluntary or mandatory retirements and can get along without the services of certain workers on the ground that this will cut average wage spending by about 5 percent, saving the treasury half a billion to be used to improve services, a likely possibility for which preparations have already been made. The problem has reappeared, indicating that the disguised unemployment army is growing by no less than 25 percent of the government workforce. This has occurred even though some ministries are dealing with job flabbiness by eliminating many of the low-level jobs, diverting their salary allocations to remedy the phenomenon of linking job bottlenecks to upgrading supergrades, and providing promotion opportunities in order to stem the flow of emigration to the oil-producing countries or to put an end to the injustice besetting some of the workers compared with leaps their colleagues have made in other services. This is even though they have the same fields of specialization, the same immense responsibilities, the same enticements and incentives, and the same social status.

And let us suppose that basic commodity price rates are lowered, a likely possibility, and high-income salaries are cut and low-income ones are preserved to narrow the gap between public sector workers.

And let us suppose that a policy is pursued to wipe out disguised unemployment to the last disguised jobless person. What do we do with the battalions of university and school graduates and repatriates?

The only thing we can do is to venture into free enterprise: farming, the elixir of life. The government has no choice but to make it possible for the Sudanese Agricultural Bank and other commercial banks to carry the burden of seasonal financing by doubling the Agricultural Bank's capital and by giving commercial banks a free hand in using their frozen accounts, bolstering their ceilings and giving them greater opportunities to use their resources and reserves. This is because it is pointless to impound them so long as doing business with brokers serves a great purpose, such as enabling the graduate sector to cultivate barren land. This is no doubt a great goal, greater indeed than the government borrowing from the banking community several billions to meet the hear-nothing, see-nothing payroll, creating terrible inflation which ought to be fought.

Consequently, in the circumstances of chronic graduate unemployment and following the government's decision to freeze hiring, it is imperative that commercial banks are allowed to use their monetary reserves deposited with the Bank of Sudan for various agricultural, veterinary, service, and other investment ventures.

And so long as credit ceilings were meant to control monetary liquidity, removing the ceilings for the sake of prudent and programmed investment supersedes top management controls, for necessity knows no law.

TUNISIA

PUP Leader Messaoud Discusses MUP Merger, Party Status

90OA0170A Tunis REALITES in French
16 Nov 89 pp 19-20

[Interview of Hassen Messaoud by Hatem M'rad; first two paragraphs are REALITES introduction]

[Text] Moderate, democrat, believes in the common interest, likes to be in touch with the people. That is why Hassen Messaoud, 40 years old, joined a leftist party. An architect from ITAAUT, where he taught from 1981 to 1986, he is technical director at the Urban Rehabilitation and Renovation Agency (ARRU). His political past has not been inconsistent: a militant leftist student from 1972 to 1978, he joined the PUP [Popular Unity Party] in 1986 as a rank-and-file militant sympathizer. He was elected to the PUP Central Committee in December 1988, during the 2d party congress held in Tunis.

[REALITES] Tell us what it means to "be a leftist" in Tunisia in 1989. Are there leftist values that are outdated? Does the left have new values?

[Messaoud] A political party that is not continually attuned to society's aspirations is inescapably destined to disappear. Its survival basically depends on its adapting to society's evolving requirements, in the context of clear objectives, and of fundamental principles based on respect for human dignity and the right to

social justice and popular freedoms. Being a militant in order to translate these principles into action is, in my view, what it means to be a leftist in Tunisia in 1989.

[REALITES] The three ideological and social forces in Tunisia, today as well as yesterday, are those of constitutional liberalism, of the UGTT [Tunisian General Labor Federation], and of Islam. Doesn't this raise the issue of the PUP's representativeness?

[Messaoud] Indeed, these three forces have to a certain extent always been characteristic of Tunisian society for rather obvious reasons that are linked to world and Tunisian situations that have favored their flourishing.

The PUP draws its distinctive character from the progressive struggles of the people in opposition to all forms of exploitation of whatever origin. For this reason, there can be no issue of representativeness as regards to the PUP.

[REALITES] The PUP is thought of as a party of civil servants. You must then be fiercely opposed to privatizing some public sectors, your hunting ground?

[Messaoud] It is true that there are many civil servants in the PUP's ranks, but there are also professionals, merchants, farmers, craftsmen...etc. Even assuming that the percentage of civil servants is high, that does not necessarily explain our opposition to privatizing the public sectors; these should remain as an asset for the PUP to safeguard, the management and control of which must be improved with a view to making them the engine of the national economy and a service that is basically for the benefit of the most disadvantaged social strata.

[REALITES] It is customary to say that rightist parties know how to fill the Treasury through rigorous management and that leftist parties know how to empty it through their generous spending. Is this true?

[Messaoud] These are only outward appearances, in my view. The leftist parties base themselves on the principles of equitable distribution of the country's wealth, of social justice, and not on those of the exploitation of the popular forces by a minority in power that allows all sorts of abuses to the detriment of the common interest by relying heavily on economic and social dependences and especially through excessive indebtedness.

[REALITES] Do the municipal elections frighten you? Does the PUP have some easily winnable localities?

[Messaoud] Why should they frighten us? The PUP thinks that the Tunisian people have attained a degree of maturity that permits it to exercise without any risk its right to decide about political, socio-economic, and cultural choices, as well as about the building of its future. Inasmuch as the results of the 1981 and 1989 ballots did not express the popular will, that is the only way that can—in the common interest—ensure that the opposition will win, even easily, certain localities in the forthcoming municipal elections, in which it has not yet

been decided if the PUP will participate. This participation remains linked to certain safeguards, including revision of the electoral law, the administration's profitability, and full respect for the rules of the democratic game.

[REALITES] In fact, speaking of electoral law, do you not think that instituting proportional representation in the legislative elections would be one way that would make it possible for the RCD [Constitutional Democratic Rally]-Ennahdha confrontation to be broken up?

[Messaoud] I don't think that the RCD-Ennahdha confrontation can be boiled down to the application of a voting system. Proportional representation would certainly have allowed Ennahdha, as well as the opposition parties, to be represented in the National Assembly, and would, therefore, have considerably mitigated the effects of the present crisis, in view of the trust that it would have demonstrated in the measure advocated since 7 November 1987. But the best way to avoid this political bipolarization is to work for a genuine gathering of the democratic and progressive forces in the country.

[REALITES] Speaking of gathering, there is talk of negotiations between the PUP and the MUP [Popular Unity Movement], who are seeking to unite around Ahmed Ben Salah?

[Messaoud] Nothing says that it might be around Ben Salah. But there are indications that argue in favor of uniting the PUP and the MUP that belonged in the past to the same family. Now conditions are favorable for this family to gather together again.

[REALITES] The right has always governed Tunisia, from the beys up to the Republicans. The Tunisians, taken as a whole, appear to be legitimists and not to like adventures. In 1981, in spite of fraud, they voted en masse for another moderate party, the MDS [Movement of Social Democrats], and on 2 April of this year they also refused an adventure, aided by Ben Ali's state of grace. What makes you believe then that the left has a chance to govern the country some day?

[Messaoud] A multiparty system and democracy are the only guarantees of the legitimacy of the powers and the flourishing of societies. Tunisia continues to be governed by a single party and to ignore the will of the people to exercise their legislative rights in full liberty and without any influence. The Tunisians desire a real change that will guarantee to them tranquility without pushing them to revolt. The fact that they don't like adventures shows their political maturity, which necessarily implies an opening at all levels. The collectivist experience was tripped up by the personal interests of a minority who precipitated its failure and who encouraged its suffocation in the womb.

The necessary lessons should be drawn so as not to fall back into the same errors.

[REALITES] You place the RCD and Ben Ali on the right or the left?

[Messaoud] The RCD is a rightist party. Ben Ali is an eminent head of state who knew how to gather the people around noble ideals. If the principles of 7 November were implemented, he would be a genuine leftist leader.

[REALITES] Why doesn't the PUP publish a work in which you would set out your political program, sector by sector, in the manner of French political parties whose programs are to be found in all the store windows?

[Messaoud] The PUP has, in fact, already published and distributed its political program, sector by sector, of which I can mention: the party charter, the ideological tendencies, and the charter of popular freedoms.

It is now looking into the preparation of a work, which promises to be voluminous, in which will be set out its political, socio-economic, and cultural programs, such as they were adopted by the 2d Party Congress, which was held in December 1988 in Tunis.

RCD Jendouba Deputy Interviewed on Development Plans

90OA0176A Tunis LE MAGHREB
in French 17 Nov 89 pp 20-23

[Interview with Dr Jilani Daboussi, Jendouba deputy, by Ashraf Azzouz, date and place not given: "Doctor, Deputy, Peasant, and Conscience of the Northwest"; first paragraph is editor's lead]

[Text] He is a born fighter. He likes to call himself a "serious deputy"; I would add that he is a professional practitioner of "intellectual seduction." He will not let you go until you are very seriously convinced that the deal of our (sic) life is to invest in his region. His region is Jendouba, Tabarka, and Ain Draham, whose hidden treasures he vaunts the better to "obscure" the unemployment crisis (nearly 30 percent), a "national record" in suicide, and "a permanent feeling of frustration" toward other regions who were lucky enough to be "launched" at the right moment. A doctor of medicine and economics with a masters in law, this 42-year-old deputy "not like the others" has more than one card up his sleeve. Listen to him.

[LE MAGHREB] You are the deputy of Jendouba....

[Daboussi] No. Of the whole nation. I was elected in Jendouba, on the RCD [Constitutional Democratic Rally] list.

[LE MAGHREB] How would you describe the socio-economic situation in Jendouba?

[Daboussi] It is essentially one of paradoxes: a record unemployment rate and fabulous potential wealth. A record number of thirsty people with the territory's

greatest rainfall. The lowest rate of electrification and huge dams. A record birthrate and the greatest rate of migration.

Allow me as well to cite a very black corollary: a record suicide rate, with even the greatest "success" rate, if I may put it that way, in suicide attempts.

In Jendouba, the notion of "worldly" suicide does not exist. Alas, candidates practically never fail. They prefer the final and irreparable solution of a knotty branch and a stiff cord to the small glass of bleach one sees in Tunis....

[LE MAGHREB] What are the reasons for this underdevelopment?

[Daboussi] They are historical, first of all: colonialism bled the whole country dry, but particularly the border regions. Solidarity with a fighting Algeria kept us in a war economy until 1962. Then came the decade of socialism "from above" and its attendant mistakes whose principal victims were the forest dwellers, often displaced then stripped of their meager livestock. Finally, there was the ultraliberal experiment, which aggravated the situation because it could not benefit a population whose average annual spending was the lowest in the country (169 Tunisian dinars/year). Add to this overview the economic conditions of the time and a policy, too effective to be anything but deliberate, of pauperizing the region by systematically transferring its natural riches: cork, tobacco, water, clay, wood, etc..

So, to salve their consciences, the princes who govern us encouraged the proliferation of prejudices as tenacious as they were ridiculous: The inhabitants of Jendouba (and even of the northwest) were "loafers," had "welfare-recipient mentalities," did not "fight for Independence," etc....

All that is obviously untrue. The real explanation is decidedly more prosaic: the state had other priorities and made other choices. And there was a cruel lack of productive public investment in Jendouba.

[LE MAGHREB] Have things changed?

[Daboussi] Without question, yes. The example of tourism is the most striking. If there hadn't been change, things would never have evolved in that way.

[LE MAGHREB] You had a lot to do with it, thanks to the debate with Aziz Miled?

[Daboussi] Very little. Because if Ben Ali had not decided to involve the state, if Zouari hadn't put the RCD's credibility on the line, and if hundreds of men had not worked behind the scenes, the debate between a low-level deputy and a prominent leader in the hotel industry and finance would have had zero effect. I am sane, and, therefore, aware of my limitations.

[LE MAGHREB] Still, you won: the bigtimers are investing in your region?

[Daboussi] We all won: the state is going to be able to profit from the billions invested in the Tabarka infrastructure, the big names in tourism are going to earn money developing a region, the RCD will enhance its credibility. As far as I'm concerned, the struggle continues: the goal—the 4 aces.

[LE MAGHREB] Aren't you dreaming a little too big? And what are the 4 aces?

[Daboussi] They are seaside (Tabarka), sports and forest (Ain Draham), hot-springs (Hammam-Bourguiba), and lakeside (Ben Mtir) tourism. With cultural (Bulla Regia, Dougga, Makthar, Le Kef) and coastal (Zouaraa, Sidi Mechrig, Cape Serrat, Cape Negro) spots besides.

In all, a naturally rich and diversified tourist package in an area a few dozen kilometers wide and easy flying distance from Europe. Our country will have an unbeatable combination. And that's exactly what it will need to be competitive in the cutthroat battle of world tourism. We already have high trump cards (Hammamet, Sousse, Monastir, Jerba, and Zarzis) and great cards (Bizerte, Kairouan, Sahara, Hydra, Hergla) (Kerkennah, Kiswa, Le Kef); the northwest adds four aces.

Imagine our country with 50 golf courses, 10 casinos, and powerful attractions from north to south and east to west. You know, tourism is no longer a choice. It's no longer even something forced on us. It's an opportunity. We must grab it....

[LE MAGHREB] Apart from tourism, how have things changed?

[Daboussi] But tourism is no small thing. It is a sector that is extremely stimulating to the economy. An example: the Ain-Draham tourist complex with golf course, casino, Olympic village, etc. is not a deserted facility superimposed on a lifeless body, but a real transfusion with the macromolecules and vitamins necessary to save, resuscitate, and get the region going again.

Tourist projects are real development projects. Do you think we will see planeloads of English and German vacationers landing in Tabarka followed by other planes full of fruits and vegetables for them to eat? Obviously not! Agriculture will be the first to benefit from tourism.

Do you think we won't benefit from the brand new infrastructure built, particularly the roads? The region, isolated till now, is suddenly irrigated with means of transportation. Everything, absolutely everything, changes. The march toward development is suddenly accelerated. And we owe all that to tourism!

[LE MAGHREB] How are the citizens reacting?

[Daboussi] They were resigned. Then they learned to be patient. Now they are confident, and are learning enterprise. You see, you must give time time. Even Ben Ali, which has the greatest capital in the region, cannot bring about the spontaneous emergence of a generation of

entrepreneurs. The Golden Boys of tourism invited to Tabarka during the famous "five-ministers day" were "not built" in a day. We still need, and it's just as well for national unity, our cousins in Tunis, Sousse, Sfax, Jerba, Nabeul, etc. We need their know-how, their experience, and their capital in every area. I'm not ashamed it.

[LE MAGHREB] You want to court other businessmen in other sectors?

[Daboussi] Oh yes! Do you know Mohsen Ben Abdallah? Neither do I. I have just devoured a paid-advertising report on the textile group he founded. Imagine him landing in Jendouba with his immense know-how and his prodigious development sense

[LE MAGHREB] Why would he come to Jendouba?

[Daboussi] Why, to make money, to further integrate his group in order to develop it better. It's a strategy. He must understand that it is better to employ the young women of Jendouba here, rather than uprooting them by recruiting them to Ben Arous or Sousse. We have several thousand young women with sewing diplomas in the region and competent, desperately unemployed, managers. The government has inaugurated new industrial zones. Our quality of life is incomparable. We lack a great captain of industry. Mohsen Ben Abdallah in Jendouba? There's no law against dreaming!

[LE MAGHREB] Is it a good way to develop a region?

[Daboussi] It's the most effective and the quickest. The era of large public companies (SHTT [Tunisia Hotel and Tourist Company], SOGITEX [General Textile Industries Company]) seems to be over. That's too bad for Jendouba that always lags behind by a code, a decision, or because of indifference. But if finally [it were Jendouba's turn]! If the state pulls out, it is natural that we would turn to the great professionals who, thanks to initial state support and their own expertise, have succeeded brilliantly.

I'll give you another example: the naval shipyards of Tabarka. The state invested 9 million dinars for the port. A superb 250-ton loading bridge was installed. Who will keep the shipyards busy? Will they take on rough repair jobs and be staffed by craftsmen of undefined skills in the hope, a slightly crazy one, of making them into champions? Do you know the Sellam brothers? Me neither. Except by reputation. They run the best naval shipyards in Sfax, and thus in Tunisia. If one of those great businessmen settled in Tabarka, the fishing industry would soar.

[LE MAGHREB] Why would they leave Sfax?

[Daboussi] There is no question of their leaving Sfax. Orders are booked solid there for several years. There are 170 trawlers being built in Sfax. Tabarka is a new opportunity. The market is new and promising: A fleet of 50 trawlers is necessary for the port to be profitable. The

pleasure-boat port has already attracted a hundred recreational boats. Algerian ports, until Skikda, do not have an identical loading bridge. And then, there is the wood....

For decades the region's pine-grove wood has been transported to Sfax to keep the naval shipyards going. The quantities are enormous and grow back so quickly they can supply several dozen yards. It is imperative that the value of forest resources be enhanced here. The Sfaxians are the strongest in that area. Betting on quality to develop the region is the natural choice.

[LE MAGHREB] Then you accept the idea of the state stepping aside?

[Daboussi] Never! We need state support to live. And the support of banks and big-time entrepreneurs to prosper.

[LE MAGHREB] Jendouba can't count on its own children?

[Daboussi] Certainly it can. But you won't hold it against me if I fight to offer them the best chance for success by bringing them in contact with the strongest and most brilliant so they can take a leaf from their book. That is how they will progress the most surely and quickly.

[LE MAGHREB] And if these big developers refuse to come to Jendouba?

[Daboussi] And if the president asks them? And the RCD invites them? And, in addition, they are sure of making money? Why would they refuse to come to the region?

[LE MAGHREB] This is your second term as deputy?

[Daboussi] Yes.

[LE MAGHREB] You have already been excluded from the party?

[Daboussi] No. Not excluded. It was a decision to "freeze activities."

[LE MAGHREB] Why?

[Daboussi] Because I had told some truths.

[LE MAGHREB] Have you changed your tune?

[Daboussi] Certainly not! No. I changed the person to whom I talk. Not what I say.

[LE MAGHREB] You continue to tell truths?

[Daboussi] Obviously. And I hope that all my life I will have the courage, when necessary, not to please. And then, there is the way....

[LE MAGHREB] You're not afraid of displeasing?

[Daboussi] No. The president needs partisans. Not courtisans.

[LE MAGHREB] You are the president's man?

[Daboussi] That's an American notion. In Tunisia, I don't think the president has or should have men. Because the best men in the country are and must naturally be his men.

[LE MAGHREB] You are not one of the president's men!?

[Daboussi] Since he chose me to be on his list in the legislative elections, I must be one, in the jebels [mountains?] of Khroumirie, of the 10,000 best....

[LE MAGHREB] You still speak with the jebel accent?

[Daboussi] Yes. Of course.

[LE MAGHREB] Why?

[Daboussi] Because I live there. And because it's the best accent. That of the heart.

New Agricultural, Conservation Programs Urged

90OA0176C Tunis LE MAGHREB

in French 17 Nov 89 pp 26-27

[Article by Cherif Zaouch: "Dear Agricultural Officials"]

[Text] Tunisia has just gone through 2 years of relatively low rainfall that has sharply worsened its grain deficit. Fortunately, the fall of 1989 promises a good agricultural year.

It is useless to speculate on the alarmist theses of certain scientists, who advocate (sic) that a global warming and disturbance in climates is going to take place.

That context is beyond us. We are not a highly industrialized country contributing to the "greenhouse effect" through atmospheric discharges of carbon gas from its factories and automobiles.

Our pollution, like our economy, is very modest.

We have much to do just within our own borders to check phenomena that may seriously interfere with our development. The water shortage is one of the most serious problems awaiting us as the year 2000 approaches.

Our country is poorly supplied with water: only one permanent stream, with an average flow rate and a high salt content of 3 to 4 grams; and dry riverbeds that flow when the rains allow and carry as much mud as water. Three-quarters of the country has irregular and inadequate rainfall (between 100 and 400 millimeters/year).

We do not control these facts, we suffer them. Improvement of these natural conditions would require a vast reforestation program on the scale of North Africa to turn the climate around.

But until such a miracle—possible, were North African politicians a wiser group—occurs and until desalination

of seawater becomes a plausible reality, both rural and urban Tunisians must be taught to better manage their modest water resources.

The most realistic solution is to take advantage of what already exists and economize it as best we can.

To do this, Tunisians must be made aware of the problem and educated through programs that only the government can provide, given its monopoly of mass media—television and radio.

For an Agriculture That Restores the Environment

The government should accord priority to CES (Water and Soil Conservation) work, to contain water-reserve losses, erosion, and consequent silting up of barrages.

There must be emergency instruction of farmers in mulching techniques to reduce evaporation, particularly in tree farming and market gardening.

Irrigation techniques that yield the greatest savings in water must be widely introduced, from microsprinklers, to drop-by-drop systems, to porous vats, depending on the situation. Waste and soil washing resulting from submersion techniques that are currently very widespread will be avoided in this way.

Emergency remedies to be added to the list include reforestation of hilltops and ravines and the planting of windbreaking hedges of trees that produce marketable wood, honey, fodder, and fruit. The state's role is to create tree nurseries and encourage farmers to improve the rural environment through discounted loans.

If all these measures—and there are others, such as encouraging and aiding small integrated livestock breeding operations—were adopted by the government and backed by competent technical assistance and one-time long-term loans, they could change the economic landscape of our country and offset the catastrophes that await us as the 3d millenium comes to a close.

Tunisian Agriculture Must Synchronize Its Watch With Main Clock

Despite the many studies of researchers who have identified the problems of agriculture and forestry (see Jelila Benzarti's article, *MAGHREB* No 176), high-ranking officials of the Ministry of Agriculture do not yet seem ready to enter the fray and rouse the country to correct the bad habits of centuries of outmoded agriculture. It is a style of agriculture that the Tunisia of yesterday could afford, given its small population (1.5 million at the beginning of the century, 3.5 million at independence) and their modest requirements, but which is totally out of keeping with a modern Tunisia of nearly 8 million inhabitants. The purchasing power of those inhabitants has increased by a factor of more than 10, and there are 2 million tourists who eat as much [food] as 5 million Tunisians.

It is those agricultural practices, overgrazing in particular, that are responsible for the desertification that tirelessly erodes nearly 10 thousand hectares a year.

What are our minister of agriculture and his state secretaries doing about these catastrophic situations that mortgage the prosperity of future generations? Is their field of action limited to their offices, pompous seminars, and solemn inaugurations? Have they forgotten they are piloting a ship that is drifting and that they should be at the advance post?

Perhaps they might imitate the president of the republic, who used "surprise visits" to travel to the where the heart of the problems were, in order to solve them without specious go-betweens.

It is the job of officials to set an example, to get the momentum going, to encourage initiatives, and not to paralyze society in order to demonstrate authority.

The major handicap preventing our agriculture from developing in a positive and lasting way is the persistence of a type of outmoded politics practiced by a bureaucracy attached to its self-centered privileges.

The technical expertise exists, inside the administration itself and in research institutes and the university, but those voices are muffled by the thickness of the deliberately insulated walls of the offices of some officials, whose responses are anachronistic.

This laxity will not be forgiven. We will number 10 million by the turn of the century, and desertification and erosion are worsening, as is the rural exodus....

FMI (IMF) Expanded Spells Famine

We use this constructively aggressive tone in addressing our officials because the people are fed up and because we have witnessed the ruin of a whole segment of rural society: left to shift for itself, occasionally harvesting the crumbs of charity that advances a certain bureaucracy running a so-called development effort more than it does the "beneficiaries."

Urgent intervention is needed, one that takes into account the social conditions of the Tunisian rural population and does not just follow the advice, often ill-timed, of the IMF. The latter considers agricultural production strictly in terms of profitability, based on Western criteria to which only a limited group of Tunisian farmers and technicians could adapt.

We must develop a system of food production that meets our needs first, enables our society to blossom and educate itself, and ensures that our products are affordable to Tunisians first. Opting for speculative agriculture in order to compete economically with countries whose financial capacities and market sizes are on a wholly different scale from ours is a sure road to failure.

The new geopolitical situation created by the opening up of the East European countries who are gaining their

independence must be taken into account. These countries will enjoy aid and trade exchanges with Western countries at the expense of developing countries. We already had a foretaste of that when Spain and Greece joined the Common Market.

Perhaps when greater North Africa is a reality we can talk about international competitiveness: Today the great majority of Tunisian families live day to day on what their basket, which is increasingly too big for their pocketbook, can hold.

AFGHANISTAN

TIQ Advocates Direct Talks With Kabul

46000054 Islamabad *THE MUSLIM*
in English 13 Nov 89 p 6

[Text] Peshawar, Nov. 12—The Tehrik Ittehad-i-Qabail (TIQ), while endorsing the demand for the return of ex-King Zahir Shah, has emphasised that durable peace in Afghanistan could only be restored by giving the ruling PDPA [People's Democratic Party of Afghanistan] share in a future government.

The TIQ President, Syed Yousaf Hussain told a press conference in Peshawar Sunday that the democratically elected PPP [Pakistan People's Party] Government should enter into direct talks with the Afghan regime to stop bloodshed in Afghanistan and enable Afghan refugees to return home in honour.

He said a change in Islamabad's Afghan policy was long overdue now that a popular government was in power in Pakistan in place of a military dictator like Gen. Zia.

The TIQ also demanded opening of the Torkham-Jalalabad highway to restore trade between Pakistan and Afghanistan. He said Pakistani tribesmen had suffered a lot owing to the closure of the trade route as it had destroyed their economy and rendered thousands jobless. He also accused certain Mujahideen groups of amassing wealth by imposing taxes on tribal traders who used other border routes for trade between the two countries.

Syed Yousaf Hussain, who was flanked by TIQ leaders Khaista Khan Afridi, Ghairat Khan Afridi, Kundal Khan and Iqbal Khyberwal strongly criticised the four FATA MNAs who voted against the Prime Minister during the recent vote on no-trust motion. Remarking that they had by their conduct earned a bad reputation for the tribesmen, he said siding with anti-democratic elements and Gen. Zia's cronies was not something to be proud of. He also condemned those elements who misused TIQ name for their vested interests.

INDIA

President Speaks at Trade Fair Opening

46001134 Bombay *THE TIMES OF INDIA*
in English 15 Nov 89 p 19

[Text] New Delhi, November 14 (UNI)—President R. Venkataraman today expressed concern over the "compartmentalisation of trading areas," referring to the restraints faced by Indian exports in the very sectors where growth was possible. The President said the "forces of protectionism have manifested in various ways."

Inaugurating the ninth India International Trade Fair here, Mr Venkataraman said, India would support and

would work for strengthening multilateral trade institutions such as GATT [General Agreement on Tariffs and Trade] and UNCTAD [United Nations Conference on Trade and Development]. He said India would also seek the understanding and cooperation of friendly countries for collaboration in areas which would "help us realise our potential for exports."

Commerce minister Dinesh Singh presided at the function. Participants from 30 countries representing different regions and large number of Indian industries are taking part in this fair.

The President referred to various steps the government had taken in the past several years to liberalise economic policies affecting the industrial sector to stimulate investment, encourage modernisation, ensure technological upgradation and increase export competitiveness.

A large number of industries had been completely exempted from industrial licensing. Foreign investment was being actively encouraged specially in areas where it contributes to technological modernisation and export capabilities. Similarly, import policy had been gradually liberalised.

This has assured Indian industry access to essential imports for modernisation and subjected domestic industry to increasing external competition.

"The positive outcome of the new policy initiatives can be clearly seen in the improved performance of the economy," he told the large gathering which included diplomats of participating countries. For the first time the growth rate exceeded five per cent and the economy had been set on a distinctly higher growth path, he added.

"The progressive liberalization of our policies needs to be seen by our friends in other countries as an opportunity to expand two-way trade and economic cooperation, and not simply as an enlarged opportunity to export to the Indian market.

Delegations Attend Trade Talks in Europe

GATT Geneva Meeting

46001132 Calcutta *THE TELEGRAPH*
in English 17 Nov 89 p 8

[Article by Tilottama Tharoor: "India Proposes Bigger Trade Share for LDCs"]

[Text] Geneva, Nov. 16—At a meeting of the United Nations Conference on Trade and Development (Unctad), India yesterday introduced an important resolution aimed at expanding and diversifying the export trade of developing countries in manufactures and semi-manufactured products. The purpose of the resolution, the Indian representative, Mrs Lakshmi Puri, told *THE TELEGRAPH*, was to "rectify" the trade policies of the

industrialised countries that have so far restricted the exports of the developing countries.

Speaking on behalf of the Group of 77 developing countries, India explained the rationale behind the resolution, which proposed policy recommendations for adoption by the Unctad committee on manufactures. India claimed that while exports from developing countries had shown signs of some improvement after a slowdown in the early 1980s, they still accounted for a very low share of total world manufactures exports. Moreover, a large number of African and other least developed countries did not participate in the increase. Hence the "need to ensure the substantially enhanced participation of developing countries on a durable and stable basis in the world trade in manufactures."

In this regard, India stressed that the single most important factor was improved access to the markets of developed countries, which already absorb 66 per cent of developing countries' manufactured exports. India "strongly" urged "the elimination or reduction of tariff and non-tariff barriers as well as tariff escalation affecting the products of export interest to developing countries."

According to Mrs Puri, the tariff-cutting exercise conducted under another organisation, the general agreement on tariffs and trade (GATT), has chiefly benefitted exports of industrialised countries. Tariffs on exports of developing countries, she maintained, "traditionally remain higher."

India therefore called for the extension of lower tariffs on developing countries' exports in the ongoing Uruguay Round trade negotiations under GATT and for the improvement of schemes under the generalised system of preferences. Preference-giving countries should "expand product coverage of their schemes to match existing and evident potential export capabilities of developing countries," insisted India.

Besides aspects relating to market access, the draft resolution also highlights the need for improvement of the export supply capability of developing countries. The need for an increased and substantial flow of financial resources and transfer of technology was specifically urged.

The resolution further "considers that industrial collaboration is an important avenue for expanding exports of manufactures from developing countries and that development, diversification and deepening of the production processes through transfer of technology need to be given a particular attention in this context."

At the same time, it underlines the need to eliminate factors which negate the real benefits of industrial collaboration, such as "harmful corporate practices, particularly restrictive business practices and market and technology transfer restrictions," as well as the need to "avoid the creation of unhealthy and long-term dependence and concentration of market power." While such

restrictive practices emanate principally from the non-governmental business sector, developing countries strongly recommend governmental action to curb these tendencies of private corporations.

A decision on the resolution proposed by India is expected by the end of the week. Discussions are under way in the Unctad committee on manufactures, which has a unique function as the only committee in the United Nations system with a specific mandate to deal with the question of exports of manufactures and semi-manufactured goods from the developing countries.

Delegation to EC

46001132 New Delhi PATRIOT
in English 14 Nov 89 p 11

[Text] Though the unified West European market under the umbrella of the 12-nation European Economic Community is bound to offer greater scope for exports from the developing world, India should do well to upgrade its technology and improve competitiveness to maintain its share of the vast and unified European Market, reports PTI.

This has been the major finding of a 13-member senior level trade delegation to EEC countries led by the PHD Chamber of Commerce and Industry President Mr Somany, recently. He said the common standards, specifications and regulations which were in the process on evolution would be more stricter, reports PTI.

As "the invisible barrier will be much more difficult to overcome," the PHD Chamber Chief urged the need for boosting technological capabilities of Indian industry without losing further time, not only to keep abreast of developments abroad but also to carve a niche for Indian products in the competitive global market.

The delegation urged the Government to evolve an exclusive strategy for EEC without delay. This strategy should be so designed as to select a limited number of items and identify competent manufacturers and exporters.

It further said such items and such exporters should be unshackled from all policy and procedural hurdles and other irritants.

The chamber chief suggested relaxation of equity criterion, flexible and pragmatic policy for export obligation and introduction of fast track mechanism for the whole of EEC.

It said India should join the World Bank lending affiliate, the Multilateral Investment Guarantee Agency (MIGA), which would go a long way in restoring confidence of the potential investors.

Though the country's Patent Act provides full protection to patents, the Government should provide special assurance in case of technologies important to the country's industry, it said.

According to the delegation, the existing testing centres and testing facilities must be upgraded fast in the country, keeping in view the changing technologies and standards.

The south of Europe is going to emerge as a new economic centre and building up sound economic relations with Spain through joint ventures, technical cooperation programmes were suggested. The delegation identified Barcelona as the most profitable centre for setting up joint venture units.

It said the Government of India in collaboration with the CBI in Netherlands should set up a Trade Promotion Centre in the World Trade Centre at Rotterdam and, as was suggested by the French government, should expedite the establishment of an Export Promotion Bureau in France.

Political Parties State Position on New Government

CPI-M Leader Quoted

46001128 Bombay *THE TIMES OF INDIA*
in English 5 Dec 89 p 1

[Text] New Delhi, Dec 4 (UNI)—The Communist Party of India (Marxist) today ruled out the possibility of joining a coalition government with the National Front at the Centre.

"We have made our position very clear" on the formation of the government by the National Front. "We remain committed not to join any such government while extending support from outside," the CPM politburo member, Mr Har Kishen Singh Surjit, told reporters here.

He was asked to comment on the reported statement by the deputy prime minister, Mr Devi Lal, that efforts were being made to persuade some opposition parties to join the government.

The issue was not at all discussed by the party. It was also not discussed with the National Front leaders, he said.

Mr Surjit, who was critical of the former Prime Minister, Mr Rajiv Gandhi, and the Punjab governor, Mr S. S. Ray, for "encouraging" terrorists to win the Lok Sabha elections in the state, did not agree with the view of some reporters that Mr Devi Lal was promoting "dynastic rule."

Mr Om Prakash Chautala's succession to Mr Devi Lal as Haryana chief minister was the Janata Dal's "internal matter." His party had never opposed Mr Rajiv Gandhi's succession to his mother on the ground of "dynastic rule," Mr Surjit said.

He said his party was concerned over the outcome of the Lok Sabha elections in Punjab where "a combination of factors" helped Mr S. S. Mann to win the poll.

The CPM was opposed to the demand of the Bharatiya Janata Party for President's rule in Jammu and Kashmir, he said adding that this would not be the solution to the problem there.

More on Communist Stand

46001128 Madras *THE HINDU*
in English 30 Nov 89 p 9

[Text] New Delhi, Nov. 29—The CPI [Communist Party of India] and CPI(M) [Communist Party of India-Marxist] have formally communicated to the National Front their willingness to support a Front Government from outside. But, while the latter's offer of support is couched in unequivocal terms, that of the CPI has set out certain qualifications.

In his letter, copies of which were distributed here today, the CPI General Secretary, Mr. Ch. Rajeswara Rao, appreciated the fact that the Front had decided to stake its claim to form a Government and extended his party's support for the claim. However, he clarified that his party would support the Government from outside "based on secular and democratic policies." In this connection, Mr. Rao pointed out that the phrase "formation of a non-Congress(I) Government" in the Front's written request for support could give rise to various interpretations. The CPI reiterated its position that the Government at the Centre should not include representatives of "communal parties like the BJP [Bharatiya Janata Party], Muslim League etc."

This was being stated particularly in view of the fact that the BJP leadership, in collusion with the Vishwa Hindu Parishad and the RSS [Rashtriya Swayamsewak Sangh] had openly resorted to "aggressive communal propaganda to achieve its short-term and long-term aims," Mr Rao said. Pointing out that the BJP's General Secretary, Mr. Murli Manohar Joshi, had yesterday stressed non-acceptability of programmes which contravened the BJP's own (and especially his reference to major areas of dispute such as Ramjanmabhoomi, Article 370 etc.) Mr. Rao expressed the hope that there would be "no watering down of the Front's programme to secure BJP support."

CPI(M) Support

In a cryptic note, the CPI(M) general secretary, Mr. E. M. S. Namboodiripad, said, "On the basis of discussions the Left parties held with the National Front delegation yesterday we have decided to extend our support for the formation of a National Front Government." Mr. Namboodiripad did not refer to any qualifications in his letter, but in the course of discussions with the Front, the CPI(M) has also stressed that its offer of support for the Front Government was for its implementation of its (the Front's) own programme.

PTI, UNI report:

Addressing the press conference, the CPI leader, Mr. M. Farooqi, said the party had decided to support the

formation of a National Front Government "on the basis of their (National Front's) manifesto."

Mr. Farooqi said National Front leaders had told the left parties that they were forming a Government "committed to the manifesto," and added that "we would like them to implement their manifesto."

Asked if the party's support for a National Front Government would be withdrawn if the centrist combine said the BJP is not a communal party, Mr. Farooqi said, "This will not colour our support." "We will continue to call the BJP communal. In fact, they have now become aggressively communal."

Asked if a National Front Government supported by the left and right parties could be stable, he said, "Stable Government is possible if the BJP behaves properly."

The Revolutionary Socialist Party extended its support to a National Front Government from outside. Mr. Sourendra Battacharya, Rajya Sabha member and member of the party's Central Committee, said in a statement that the party had sent a letter expressing support to Mr. Vishwanath Pratap Singh, who had written requesting for support.

BJP Reply to National Front

46001128 Madras THE HINDU
in English 30 Nov 89 p 9

[Text] New Delhi, Nov. 29—The following is the text of the letter to the Bharatiya Janata Party from the National Front:

Dear Shri Advaniji,

We are sure that you agree with us that the people of India have given a clear and unmistakable verdict against the Congress(I) misrule and for a change of Government at the Centre. The seat adjustments among the various Opposition parties have greatly helped us in defeating the Congress(I). It is now the sacred duty of all of us to see that this mandate of the people is not frustrated and the formation of a non-Congress(I) Government is not delayed to give effect to the hopes and aspirations of the people.

The National Front has, therefore, decided to shoulder this onerous responsibility of approaching the President and stake its claim to form the new government.

May we seek the support of your party in this effort.

With kind regards,

Yours sincerely,

(Sd/-) N. T. Rama Rao,
Chairman.

(Sd/-) Vishwanath Pratap Singh,
Convenor

Shri L. K. Advani,
President,

Bharatiya Janata Party,
New Delhi

The following is the text of the reply from Mr. L. K. Advani, President, BJP:

Dear Shri Rama Rao Ji and Shri V. P. Singh Ji,

I am in receipt of your letter dated 28th November, 1989 seeking the BJP's support in forming a National Front Government.

I agree that the people have given a clear verdict against the Rajiv Government. But simultaneously this is also true that there has been no positive verdict in favour of any one party, or in favour of the five-party National Front.

Your letter amounts to seeking unconditional support from the BJP for a minority Government. The BJP [Bharatiya Janata Party] has some reservations extending such support to your Government. Our two principal reservations are:

(i) The National Front and the BJP fought these elections on two separate manifestoes, not on a common manifesto. A manifesto is a party's solemn commitment to the people. Our two manifestoes have several common features, such as grant of autonomy to Akashwani and Doordarshan, enactment of a Right to Information Act, incorporating Right to Work as a fundamental right in the Constitution, elimination of corruption by the creation of an institutional watchdog like the Lokpal, taking steps to give debt relief and ensure remunerative prices to the farmer etc. But there are aspects on which the two manifestoes differ. We would like the N.F. Government to confine its governmental programme to issues on which we agree.

(ii) The main constituent of the National Front is the Janata Dal. Ever since its launching, J.D. leadership, by its utterances and actions, has been consciously trying to convey to the people an impression that it regards the BJP as a communal party, and that it would rather sit in the opposition than ever share power with it. The J.D.'s public postures have thwarted the building up of any abiding relationship of trust and friendship between our parties. If it is acknowledged by the J.D. that though the J.D. and BJP differ on issues like Art. 370, Uniform Civil Code, Human Rights Commission, Rama Janma Bhoomi, etc., the J.D. does not regard the BJP as communal, that would go a long way in removing misgivings in our rank and file.

I hope the N.F. will take note of these reservations and exert to obviate them.

The BJP is keen to see that the Ninth General Election marks the end of Congress rule in New Delhi. It is, therefore, that even while expressing these reservations, we have not made our support to you conditional to your agreeing to remove them. In response to your letter, the BJP wishes to convey to you its readiness to give general but critical support to the N.F. Government.

With kind regards,

Yours sincerely,
(Sd/-) L. K. Advani
N. T. Rama Rao, Chairman,
V. P. Singh, Convenor of The National Front,
16, Windsor Place,
New Delhi-110001

Asian Development Bank Policy on India Assessed

46001133 Bombay *THE TIMES OF INDIA*
in English 15 Nov 89 p 19

[Text] Manila, November 14 (UNI)—India has emerged as a large borrower from the Asian Development Bank (ADB) with the current level of around \$500 million, possibly rising to an average of \$800 million over the next three years, according to an indicative lending programme at the bank's headquarters.

The bank has carried out more than one round of policy dialogue with the government of India at sector and project-level, other than macro-economic issues, as part of mapping a strategy for future lending.

The bulk of the \$1.6 billion of loans committed by ADB between 1986 and 1989 is going towards power, ports, roads, railways, and telecommunication projects, all in the public sector, in order to underpin infrastructure for future industrial development. The bank has also \$39 million of loans and investments in the private sector.

While the bank's operational strategy for India is still evolving, with a detailed review of all the economic and social sectors, in order to identify how best the bank can assist in economic development, it sees considerable scope for improvement in the policy and regulatory framework.

The bank is advocating reforms, like greater encouragement to foreign investment with larger equity participation and tax incentives, speeding up of the process of shift from a quantity-based import licensing system to a tariff-based system, and further simplification of regulatory procedures for domestic industry.

While the bank awaits the formulation of the Eighth Plan (1990-95) some overprogramming, mostly for on-going aided projects and sectors like railways and telecommunications and public financial institutions (for on-lending to small and large industry) has been taken into account, as according to bank officials, it permits flexibility in selecting loans to be submitted to the board.

The bank generally follows a cautious policy to ensure that no one country gets an unduly large slice of its annual commitments and that its lending overall and to any country are held at "desired levels." The bank has to take into account its traditional borrowers' needs.

However, India's project expertise and needs and ability to absorb large doses of capital, in the context of a

well-managed economy, has brought a new dimension to ADB's style of lending over the last two decades. Though there is at the moment a pause in loans to China for political resources, it may become another large drawer of ADB funds in future.

For the ADB, 1990 will be a year of intense studies on a general capital increase and the sixth replenishment of Asian Development Fund, its soft-window.

The Saburo Okita Panel, in its report on the role of ADB in the 1990s, said the bank should provide China and India with access to interest-free ADB resources because of their eligibility in terms of their per capita incomes.

Tax Revenues

In its latest country report on India, the bank has emphasised the need to raise the proportion of direct tax revenues by expanding its coverage of potential tax payers. It also feels a substantial lowering of customs and excise duties may be a prerequisite to a permanent increase in the growth rate of exports. However, the government's budget constraints may make it very difficult to do this, without external support.

The ability of the public sector to improve its savings performance is a matter of serious concern to external official and commercial organisations financing the country's resource gap over the Eighth Plan period, the report notes. But the country's socio-political framework makes it very difficult for government and public sector agencies to charge economic prices for electricity, water and other basic goods and services, to enforce collection of dues, to close down sick companies and override pressure groups against further policy reform.

ADB estimates India's external capital requirements during the Eighth Plan with a 6 percent growth target at about \$54 billion as compared to \$36 billion for the Seventh Plan. This would have to be met by about \$30 billion of official assistance, \$15 billion of commercial borrowings, and \$9 to 10 billion of direct foreign investment and non-resident deposits. India's debt service might rise to about \$7 billion by fiscal year 1995 but the debt service ratio could then decline to 16 percent if the plan's export and external resource targets are met.

Though India has lost its vice-presidency of the bank, as the second largest regional member and potentially the largest borrower in the years to come, the bank gives much greater attention to India and its economic management these days. The interest gets heightened as the bank prepares for its next annual meeting scheduled to take place in New Delhi by the end of April, 1990.

India is gradually improving its share of contracts for goods and services for ADB-aided projects and the total stood at over \$461 million at the end of September, 1989 or a share of 3.8 percent of the total procurement from all countries valued at over \$145 billion. Leading countries were Japan 20.54 percent, Indonesia and South

Korea with a little over 10 percent each and the U.S. 8.17 percent. Thailand, Philippines and Pakistan were also ahead of India.

'TIMES' Editorials Assess Gandhi Accomplishments

'Economic Score-Card'

46001131 Bombay THE TIMES OF INDIA
in English 17 Nov 89 p 14

[Editorial: "Economic Score-Card"]

[Text] It may be too early in the day to say that competition has emerged as the motive force in the supply-constrained Indian economy. But there is little doubt that shortages have become less visible in the country in the last four years. TV sets, including CTVs, scooters and cars are available aplenty as are quality razor blades, soap or synthetic garments. Steel is no longer in short supply, while black marketing in cement has become a distant memory. Computers are swamping the market. The telephone system has improved significantly in Bombay and Delhi. True, the tradition of cost-plus pricing continues to cast its shadow but, at the margin, the producer is becoming conscious of the need to offer value for money. The better-off sections of society should be particularly pleased with the kind of change that has been noticed since the end of the Sixth Plan. There is a nip in the economic environment. Business is happy with the liberalisation policies of the government, which accent the need to achieve economies of scale. This is a seachange from the times when licensed capacity was held in leash. Broad-banding is yet another feature which has given industry elbow-room. It is hardly surprising then that industry has notched up an annual growth rate of 7 to 9 percent. The current year has seen industrial growth flag, but it may well pick up in the second half of the year. Agriculture, after a bad start, has fared well in the last two years of the Seventh Plan. All this has pushed the average annual GDP [gross domestic product] growth rate to 5 percent for the plan period. There are, of course, shortcomings galore in several areas of growth. The point is that the economy is no longer intimidated by the barrier of the Hindu rate of growth. It has been pierced, unleashing a new confidence.

This is the critical element of the change that has surfaced in the Seventh Plan period, which coincides with Mr Rajiv Gandhi's first term in office. It was brought about through deliberate policies, including import liberalisation, and a softening of the direct tax regime. There is no denying, however, that along with what is desirable some undesirable features have developed in the economy. Thus, import liberalisation has not been strictly geared to production priorities of the Seventh Plan. There has been a surge in production of luxuries. Imports have not been used strictly for modernisation or for accelerating production. The imported kit culture has not only made a draft on the country's

scarce foreign exchange resources but promoted a life style that holds down savings instead of boosting them to finance the step-up needed in investment. The promotion of conspicuous consumption sticks out like a sore thumb in a society where development needs to be geared to provide gainful employment to the large numbers hovering around the poverty line. No less serious is the laxity in the pursuit of the objective of self-reliance. Such criticisms are valid, and would have to be kept in mind to review and correct the unintended nuances imparted by liberalisation. Even so, the point should not be missed that Mr Rajiv Gandhi's first term in office has given the economy a direction which it had been straining hard to take since the mid-seventies.

This singular feat has been achieved, however, without tackling the growing structural imbalances which threaten the economy. The government was aware of the ominous strains. This is reflected in its commitment in the long-term fiscal policy to bring deficit financing under control by rationalising subsidies and public sector prices. But it has done nothing of the sort. Consequently, for over two years now, prices have been on the rise in a situation of rising supply of foodgrains and consumer manufactures. The difficult price situation has been exacerbated by heavy reliance on indirect taxes, which today account for 90 percent of the tax revenue. The regressive fiscal policy hurts the poor in particular. Along with the failure to control prices, the government has not been able to provide the public sector the kind of budgetary support it needs to sustain its planned programme of investment. The adverse impact of this will be seen in a year or two in the shape of infrastructure bottlenecks. On the other hand, non-plan, non-development expenditures burgeon. As a result, the government has today to borrow to cover the revenue deficit. This will soon lead to a situation where the government's entire market borrowing will get used up to pay interest on outstanding domestic public debt. The foreign debt scenario is even more ominous, as reflected by the government's heavy commercial borrowings abroad to stem the decline in the country's foreign exchange reserves. However, to be fair, it must be conceded that such structural imbalances cannot be corrected at one go. Any such attempt would push the economy into a tailspin. But the failure to take even a first tentative step towards reform means that tackling the imbalances from now on will be even more painful.

'The Diplomatic Record'

46001131 Bombay THE TIMES OF INDIA
in English 18 Nov 89 p 14

[Editorial: "The Diplomatic Record"]

[Text] The sea change in Sino-Indian relations, strikingly brought out by Premier Li Peng's responses to pointed questions at a press conference in Rawalpindi on Thursday, testifies to the headway made by Indian diplomacy in the past five years. Declaring that relations with India had returned to normal, he deftly disengaged

China from the Indo-Pakistan equation by urging these South Asian neighbours to resolve their problems, including Kashmir, peacefully in the framework of Panchsheel. This confirms that Mr Gandhi's visit to China last December marked a decisive step forward in the quest for rapprochement. While it was the culmination of the spadework done over many years, including the Janata interregnum, he should be given credit for his courage in signifying India's readiness to open a new chapter which his mother had hesitated to do. While the world-wide search for detente made this task easier, many doubting Thomases, including some in his own party, were urging restraint because a rebuff would have cost him dearly at home. Likewise, the notable improvement in Indo-U.S. relations owes a great deal to Mr Gandhi's boldness in carrying forward from the tentative beginning made by his mother in 1982. As a result India's regional concerns are now much better appreciated in Washington than at any time in the past, as evident from the U.S. stance with regard to Sri Lanka, the Maldives and Nepal. Though the U.S. stake in Pakistan remains unchanged, both the administration and the Congress are now far less inclined to ignore, as Mr Reagan did in 1981, Indian sensitivities, witness the decline in military aid in real terms and a circumspect response to Islamabad's requests for weapons like AWACS [Airborne Warning and Control System] and an upgraded version of the F-16 fighter. There has, of course, been an Indian quid pro quo by way of moderating New Delhi's posture on a variety of issues ranging from the U.S. presence in the Indian Ocean to the Uruguay round of world trade negotiations. Thanks again to the global detente, political and economic ties with Moscow have simultaneously gained an added momentum by expanding economic and technological co-operation and reinforcing the military supply nexus as dramatised by the lease of a nuclear-powered submarine. The Delhi declaration that Mr Gandhi signed with Mr Gorbachev in November, 1986, by which Moscow sets great store, shows that the common ground between India and the Soviet Union on global issues remains undiminished.

India's improved international leverage has brought benefits nearer home in the South Asian region; there is a visible change for the better in relations with Pakistan under its new government and with Bangladesh. While the outcome of Sri Lanka's ethnic conflict, from which New Delhi obviously cannot distance itself, remains unclear, Indian firmness has dissuaded Colombo from seeking a military solution with outside help. This forecloses the possibility of external forces inimical to India establishing a presence in the island. With the IPKF [Indian Peacekeeping Force] now being withdrawn, the intra-Tamil conflict which Colombo has sought to exploit for its own ends presents a dangerous challenge. The message has certainly gone home, however, that India will not be a silent spectator if Sinhala chauvinism once again threatens Sri Lanka's unity. Nepal too has learnt that India's interests cannot be trifled with. In sum, the next government in New Delhi—whichever it

is—will have to consolidate these gains by moving ahead from the crisis management that has marked the past five years to a better thought-out long-term plan for enhancing the country's security at minimum cost. Some major changes will indeed have to be made to reverse the excessive centralisation of decision-making. This accounts for a tardiness in implementation which has undercut the benefits that should have accrued from diplomatic initiatives. The National Front's proposal for a national security council would make a great deal of sense if this helps to bring about a more coherent and concrete use of available political, economic and military instruments to advance the national interest.

There are other grounds too for valid criticism such as an inadequate effort to present India's regional and bilateral concerns to the outside world, allowing Pakistan, for instance, to disguise its nuclear ambition as a defensive response to the strides made by India. In the coming months it will be necessary to counter the insidious propaganda, to which the government has unwittingly contributed, that India is setting itself up as the regional overlord. Concerns voiced about growing military capabilities, even by friendly countries like Australia, warrants an emphasis on confidence-building measures. Mr Gandhi's U.N. speech last year spelling out a plan for nuclear disarmament by the haves and for self-restraint by near-nuclear nations like India was very useful in this context, as was the agreement with Pakistan not to attack each other's nuclear facilities. That Islamabad has still to ratify this is something to which New Delhi has failed to draw attention, with the result that Ms Bhutto is getting a lot of mileage out of her calls for mutual reduction of forces and for a regional compact on nuclear non-proliferation. Overall the conduct of India's foreign relations during Mr Gandhi's tenure has enhanced India's standing in the international community as implicitly accepted in the manifestoes of the opposition parties.

IRAN

Cooperation Exchange With Sweden

*90010080C Tehran JOMHURI-YE ESLAMI
in Persian 27 Nov 89 p 1*

[Text] News division—According to the public relations office of the Ministry of Mines and Metals, the Swedish deputy minister of commerce accompanied by a delegation met and spoke with Dr Shams-Ardakani, the deputy minister of economic and international affairs of the Ministry of Mines and Metals. In this meeting, both sides discussed bilateral cooperation in the area of metal and non-metal minerals, including chromite, ferric oxide, bentonite, and diatomite, as well as the development and equipment of mines.

IRI, Sweden Conduct Talks on Forestation
90OI0080F Tehran JOMHURI-YE ESLAMI
in Persian 28 Nov 89 p 2

[Text] News division—The high-ranking economic delegation of Sweden, headed by Mr Michael Sohlman, Undersecretary of State of the Foreign Ministry's Trade Department, met with Engineer Rasulof, deputy minister of agriculture for forests and pastures Affairs, at the Ministry of Agriculture yesterday morning. According to the public relations office of the Ministry of Agriculture, in this meeting, both sides emphasized the expansion of cooperation between them and discussed the grounds for cooperation with regard to forestation, the revitalization of forests, paper manufacturing, lumber and pressed wood industries, transformation industries, and dairy industries.

IRI's Oil Revenues Increase by 9 Billion Dollars
90OI0066A London KEYHAN in Persian 9 Nov 89 p 4

[Text] The Islamic Republic of Iran, with a daily export of about 2 million barrels of oil during the current year will be able to get an equivalent amount of \$9 billion in revenues. At the present time, the oil experts—based on the calculations carried out by some oil sources—estimate the daily oil production of Iran to be between 2.7 million to 3 million barrels, and with regard to the fact that the domestic oil consumption in Iran, on the average, fluctuates between 900,000 to 1 million barrels a day, therefore the crude oil export capability of Iran, under existing circumstances, cannot exceed over 2 million barrels a day.

The estimates pertaining to the Islamic Republic's oil revenues were done at a time when Gholamreza Aqazadeh, the regime's minister of petroleum, at a press interview with foreign and domestic correspondents claimed that during the current year (probably the current year of 1368 [21 March 1989 to 20 March 1990]) Iran's oil revenues will increase to about \$12 billion.

One of the international energy analysts in answer to the aforementioned statements by the Islamic Republic's minister of petroleum announced that with regard to the fluctuations of the crude oil price during the current year, and considering the fact that the price of Brent-type crude oil of the North Sea during the first 6 months of the current year has been \$16.80 on the average, the Islamic Republic has been able to fetch at most about \$13.50 to \$14.20 for every barrel of its Fateh-type (Dubayy) oil. Taking into consideration an export figure of 2 million barrels of oil a day and the highest price of \$15.00 for a barrel of Iranian crude, during the current year the Islamic Republic will be able to acquire only a revenue of about \$9 billion.

It is only possible to reach this level of revenue, if in the first place during the 5 remaining months of the current year 1368, the world oil market does not become unstable and the price of oil does not decrease, secondly

we have to base our hypothesis on the premise that there will not be any changes in the production of the Islamic Republic's crude oil.

The aforementioned analyst, while pointing to the fact that the Islamic Republic has recently taken steps to presale its crude oil, also added: According to the OPEC quota system, the Islamic Republic will be allowed to produce about 2.8 million barrels of crude oil a day. On the other hand, it is not probable that during the winter session in Vienna there will be any considerable increase in the level of production, nor will there be the possibility for the price of Fateh-type [Dubayy] crude oil to go higher than the \$15.50 to \$16.00 level for one barrel. Thus, if Gholamreza Aqazadeh has claimed that the Iranian oil revenues during the current year (1368) will reach \$12 billion, he, like the rest of his colleagues in the cabinet has either been resorting to some sort of exaggerated propaganda or else, contrary to the principles of OPEC, he has been cheating the quota system and producing more oil on a daily basis than he was allowed.

Furthermore, the international energy expert noted that this exaggerated and generous \$12 billion oil revenue estimate of the Islamic Republic for the current year (1368)—which was announced some time ago by the Islamic Republic's petroleum minister—can be related to the fact that the Islamic Republic is intending to presell a large quantity of Iranian crude oil to the Japanese and the Germans and thus include the income as part of the oil revenues for the current year. The aforementioned expert also added: The Islamic Republic during the past months has at least presold an equivalent amount of \$150 million of Iranian oil to the Mitsubishi Company of Japan, and further it has recently signed another contract to presell \$150 million worth of oil to the same company as well. In addition to the two noteworthy figures mentioned above, a large number of international oil brokers together with large German, French, Swedish, and British oil companies, taking advantage of the weak position of the Islamic Republic—from the financial viewpoint and the need of the regime for more foreign exchange—have taken steps to prepurchase Iranian crude oil under easy terms. According to various reports in the reputable oil journals, the Islamic regime of Tehran, has thus been able to acquire a substantial amount of foreign exchange income.

The international energy expert further went on to say: Although the prediction of the circumstances with regard to the supply and demand for oil in the world market for the next few years would be difficult, likewise one can hardly predict the price of crude oil for the next 2 or 3 years. Nevertheless, the Islamic Republic's petroleum minister—with the assertion that the future world demand for oil will increase and thus OPEC will give its members carte blanche, as far as production is concerned—is somehow underhandedly trying to guarantee Iran's presold oil production and delivery to the Japanese, Germans, French, and other similar companies, and on the other hand is also hoping to be able to carry

out certain other generous plans with the use of this national wealth. In addition, he hopes that in the next year or possibly other future years, he will be able to meet the presale delivery promise of crude oil without paying attention to the OPEC quota system.

Joint Economic Commission To Be Formed With USSR

90OI0066D London KEYHAN in Persian 16 Nov 89 p 4

[Text] Following the news of the signing of an agreement for the export of Iranian gas to the USSR, at the beginning of last week it was announced that the 12th joint economic commission with the USSR will be convened in Tehran in the latter part of December. The subject for setting up the date of the joint economic commission of the two countries was brought up at the meeting between Katushev, the Soviet minister of foreign economic relations, and Nurbakhsh, the Islamic Republic's minister of economic affairs and finance.

Katushev, the Soviet minister of foreign economic relations, before leaving Tehran told correspondents that the signing of the agreement for the export of Iranian natural gas to the USSR was the basis for long-term cooperation between Tehran and Moscow, and that these cooperations will transcend the limits of the 20th century and enter the 21st century as well.

Nurbakhsh, the Islamic Republic's minister of economic affairs and finance, while pointing to the signed agreement also stated: The export of Iranian natural gas to the Soviet Union will start as of 12 Farvardin next year [1 April 1990] and as a result of that 19 large industrial projects with an equivalent amount of \$6 billion of foreign exchange will gradually be carried out in Iran with the help of the USSR.

Furthermore, the Islamic Republic's minister of economic affairs and finance told the correspondents: Construction of the Khoda Afrin dam, Qaz-Qaleh-ci dam, construction of the Esfahen industrial complex, expansion of the Esfahan steel works up to 4 million tons a year, construction of several hydroelectric dams and those of Karun power stations 2, 3, and 4 comprise part of the projects which will be carried out within the framework of the economic and technical cooperation between the two countries.

Mehrabad To Be Transformed Into International Transit Airport

90OI0066B London KEYHAN in Persian 9 Nov 89 p 4

[Text] The Civil Aviation Organization, through certain improvement planning and other technical measures, intends to transform Mehrabad international airport into one which will be ready to serve intercontinental long-distance flights.

Before the advent of the Islamic regime, Mehrabad international airport was one of the most equipped airports of the region, and many international airlines,

flying from the East to the West or vice-versa, used this airport for refueling and other special services. As a result of the use of the airport by jumbo jets for special services and refueling for long-distance flights, this airport had become a center of activity for the sale of duty-free articles such as handiworks, rugs, caviar, and many other similar merchandise.

Some time ago the Tehran KEYHAN newspaper announced that the country's civil aviation authorities intend to transform Tehran's Mehrabad airport into an international transit airport, and with the preparation of the necessary technical arrangements, airlines flying long-distance flights will be able to use this airport as a transit point for refueling.

The aforementioned newspaper, under an article entitled "International Mehrabad Airport will soon be able to service long distance flights," wrote: After proper preparation for technical and other necessary facilities, Mehrabad airport will soon become a transit airport, thus enabling long-distance airlines to use the airport for refueling or disembarking of their passengers for a limited period, if they choose to do so.

Quoting a civil aviation official, the Tehran KEYHAN further wrote that carrying out this project will need execution of some precise programs, which are now being studied by a financial commission. The paper also added that the execution of this plan will bring in a considerable amount of foreign exchange to the treasury through the sale of airline fuel, transit parking fees, and the sale of duty-free articles to the passengers of such flights.

Airline Problems, Difficulties Detailed

90OI0080D Tehran JOMHURI-YE ESLAMI in Persian 27 Nov 89 p 10

[Interview with Engineer Shafti, general manager of the Islamic Republic airlines, on 26 November 1989 by reporters; place not specified]

[Text] With the establishment of selected and temporary flights by the airlines of the Islamic Republic of Iran, in the past 20 days, the transportation of passengers in various parts of the country has increased by 19,000 persons. Mr Shafti announced the above statement and added: In order to reduce the number of people coming to the airline ticket sales offices (Homa) for domestic routes, from the beginning of Azar [22 November], the sales commission for tickets from travel agencies was increased from 3 to 5 percent.

The general manager of the Islamic Republic of Iran's airlines, who spoke to media reporters yesterday, Sunday, explained Homa's various problems, including a lack of balance between supply and demand. He added: The improper composition of the fleet of airlines of the Islamic Republic of Iran, and the imbalance in the existing needs in terms of long-range and short-range

aircraft are among the problems of this company in terms of providing services and more flights.

Engineer Shafti pointed out: About 50 percent of the seats available are in wide-bodied and long-range airplanes, whereas, considering the short and medium distances of Homa, this number of seats is insufficient. He added: The lack of proper airport facilities for the kind of airplanes available is another problem. Most of the country's airports cannot accommodate large airplanes. On the other hand, the decrease in the usefulness of some of the airplanes because of age and the loss of six airplanes after the victory of the Islamic revolution and during the imposed war are among the other existing problems of Homa in trying to respond to the existing needs.

He added: In addition to the above-mentioned problems, the lack of necessary investments in recent years and the problems due to the imposed war, the embargo on the sale of airplane spare parts by the Western countries, the depletion and reduction of the numbers of expert forces, and finally numerous management changes are additional factors preventing the certain growth in the airline industry of the country. Explaining the problems outside the organization which, according to him, have affected the operations of Homa, he said: Some of the other problems concern establishments and agencies outside the Homa cadre, and Homa only has the duty of transporting passengers. The director general of the Islamic Republic of Iran's airline company said in regard to solutions to the problems of Homa: Investment in equipping the airlines and providing expert manpower are the basic solutions to the existing problems, and we hope to be able to witness favorable changes in the offering of services in the future, with the help of the government.

He added: In the short term, we must make the best of what we have without compromising safety. In this connection, in the past few days, by establishing additional flights on the high traffic routes of the country, some of the problems of the people with regard to flights available have decreased. Engineer Shafti said: Establishing extra flights is a temporary measure, and due to the shortage of resources, Homa will be unable to continue such flights on a permanent basis.

According to IRNA, in conclusion, he expressed hopes that in the interim, by examining the plausibility of leasing airplanes and in the long term, by purchasing airplanes, the airlines company of the Islamic Republic of Iran will be able to respond to the air travel needs of the people.

Tehran Facing Water Rationing

*90OI0080B Tehran JOMHURI-YE ESLAMI
in Persian 27 Nov 89 p 1*

[Text] News division—If the uncontrolled use of water by the citizens continues and there is no significant rainfall in the near future, the use of water from the

water resources of Tehran at Latian and Karaj dams will be possible only until 15 Esfand of this year [6 March 1990].

This statement was made in a news program by engineer Mirhadi, the deputy director of operations for the water resources of the Tehran regional water agency.

According to a report by our correspondent, expressing the reasons for the reduction in the volume of water reservoirs at the Karaj and Latian dams, which are the water reservoirs for the citizens of Tehran, he said: Unfortunately, the continued uncontrolled and unusual use of drinking water by the citizens and also very little rainfall have caused a decrease in the volume of resources that provide water for Tehran.

He said: The level of water entering the Karaj and Latian dams this year has decreased by 50 percent compared to last year, whereas in the first 6 months of this year, 33 million more cubic meters of water have been used than were used during a similar period last year.

Engineer Mirhadi pointed out: At the present time, we have a deficit of about 30 million cubic meters of water in the two dams of Karaj and Latian, of which about 16 million cubic meters are from the Karaj dam and 14 million cubic meters from the Latian dam.

According to this report, of the total water existing behind the Karaj and Latian dams, which are the two resources for water needed in Tehran, only 70 million cubic meters of water can be transferred to the water outreach network and this amount can only be used until 15 Esfand of this year [6 March 1990].

The deputy director for water resources of the Tehran regional water agency said that at the present the drinking water reserves of Tehran are inadequate, and the possibility exists of a shortage and possible cut off of water. He asked all Tehran citizens to seriously conserve water in order to prevent shortages and the cut off of water in various areas of Tehran.

Mahdavi-Kani Wants Basijis Ousted From Mosques

90OI0074B London KEYHAN in Persian 23 Nov 89 p 3

[Text] Ayatollah Mahdavi-Kani, who has recently been selected by Khamene'i as the supervisor in charge of the affairs of the Tehran mosques, at a press interview talked about the unpleasant situation of the capital's mosques which have become a place for conducting business, selling groceries, and living quarters for the Basijis. He emphasized that the clashes between various groups who consider the mosques as their own alone, has done away with the initial divine connotation of the mosques.

Kani asked that the Basijis be ousted from the mosques and said: During the days of the war, the existence of Basij bases in the mosques had a very significant role, but now that we are returning back to normal the mosques should also retain their initial and customary

purpose and it is not at all advisable to see a mosque turned into a center for various business activity, which is below the mosque's dignity.

Mahdavi-Kani pointed out the clashes and differences between various groups who have occupied the mosques and said: The Basiji brethren and others ought to respect the very entity of the mosques and the Imam of the nation; likewise, the Friday Imams should consider Basiji brothers as their own children and deal with them in a proper manner.

From the time Khomeyni came to power in Iran, many mosques throughout the country have become centers for carrying out various trade activities or selling varieties of goods and merchandise. This situation has led the people to make fun of the mosques, and as a result a few jokes and short stories have been making the rounds regarding the predicament of the mosques.

On the other hand, there are at least four groups who every now and then go at each other hammer and tongs and at times with serious clashes and very unpleasant scenes. These groups consist of: The Friday Imams, the members of the Board of Trustees of the Mosques, Basijis, and the Servants of the Mosques.

Mahdavi-Kani in his press interview announced that from now on the protection of the mosques' dignity and the method of their utilization, also their construction and appointment of the Friday imam for any mosque will take place under his supervision and that of The Center for Supervising the Affairs of the Mosques. He further stated: The mosque environment should become healthy and active.

In recent years the number of people using the mosque for performing religious rites and precepts have significantly diminished and even before his death, Khomeyni on many occasions had complained about the isolation of the mosques. One of the new points announced by Kani was that from now on the regime intends to build schools next to the mosques, so as to be able to increase the influence of its agents in the matter of education and training throughout the nation.

Basijis To Receive Free Medical Treatment for One Week

90OI0080E Tehran JOMHURI-YE ESLAMI
in Persian 27 Nov 89 p 2

[Text] In appreciation of the sacrifices of the Basijis and on the occasion of Basij week, all health and treatment centers of Tehran Province will treat Basij members free of charge during Basij Week. According to a report by IRNA [ISLAMIC REPUBLIC NEWS AGENCY], the public relations office of the regional health and treatment agency of Tehran Province made the above announcement and added: Basij families will also be included in this plan.

Foreign Exchange for Medical Students Increases

90OI0066C London KEYHAN in Persian 16 Nov 89 p 4

[Text] The foreign exchange quota of medical students studying in 17 countries increased, and the parents of these students can take steps to obtain the difference between the previous and present foreign exchange quota up to the 27th series of such allotments.

The Islamic Republic's Ministry of Health, Treatment, and Medical Education some time ago announced that the increase of foreign exchange quotas include medical students who are studying in the 15 countries of Austria, Australia, the United States of America, Pakistan, Switzerland, Canada, Holland, India, Denmark, Sweden, Ireland, Hungary, New Zealand, Belgium, and Poland, plus the two countries of Czechoslovakia and Romania where the Iranian students have an Iranian spouse.

The Islamic Republic's minister of health, treatment, and medical education in the middle of last week announced that the parents of the students who are eligible for this increase and who have received the previous quota up to the 27 series thereof, can hereby take steps to obtain the difference between the present and the previous quota by presenting the appropriate foreign exchange booklet to the Office of Scholarship and Student Studying Abroad, located in building No 2 of the said ministry.

Mineral Exports Generate Foreign Exchange

90OI0069B Tehran ETTELA'AT
in Persian 23 Nov 89 p 4

[Text] In keeping with increasing the non-petroleum exports, a variety of more than 240,901 tons of different minerals were exported to various countries over the first half of the current year.

According to a report by IRNA [ISLAMIC REPUBLIC NEWS AGENCY] the exports of minerals in such a quantity which include varieties of ores, construction and facading materials, mineral and metalline clods, mosaic cast iron and mosaic powder, lead and zinc aggregates, lead and zinc concentrates, chromatic mineral substance, strontium, and anodic and cathodic copper, have generated a foreign exchange income amounting to 40 million and 908 thousand dollars.

Itinerant Courts Established To Expedite Case Reviews

90OI0080A Tehran JOMHURI-YE ESLAMI
in Persian 2 Dec 89 p 4

[Text] Arak—JOMHURI-YE ESLAMI correspondent—Last Thursday morning, Mr Yazdi, the chief of the judicial branch, along with the minister of justice arrived in Arak and were welcomed by the governor-general and the officials. He participated in a session with the Justice Department judges in which Hojjat ol-Islam Shushtari, the minister of justice, spoke on the goal of the judicial

branch to create a proper system to eliminate the judicial problems. He said: With the efforts of the plan and budget committee, 310 billion rials in funds have been projected for this year and 59.7 billion rials for the next year for the judicial branch, which will solve many of our problems. He added: The judicial branch must act in such a way that people accept it as their own. Then Ayatollah Yazdi spoke in connection with the duties of the judges and the problems of the judicial branch.

According to this report, Mr Yazdi took part in the session of the administrative council of the province at the mosque of the governor-general's office. After a report presented by the governor-general of Central Province about the social position of the judiciary of the province, the chief of the judicial branch, referring to the role and position of the council in the government and the failure to make some affairs into the form of councils [as published], he described the decision of the Imam to concentrate the administration in the executive and judicial branches as an important and proper one. Referring to the problems of the judicial branch, he added: General recognition of the problems, finding their roots, and resolving them through the common methods in the world, which are also approved by religion, science, and wisdom, and examining the causes and factors involved in crime are among the duties of the judicial branch. The chief of the judicial branch and his companions met with Ayatollah Khonsari, the Friday imam of Arak. In this meeting in which the clerics and Friday imams of the city were present, Ayatollah Yazdi delivered a speech and said: The country must be operated on the basis of Islamic regulations. The mission of Martyr Beheshti given to him by the Imam was to Islamize the Justice Department. Referring to the laws that are being ratified by the Majles and how they aid the judicial branch, he added: We intend to keep the good and reject the bad and ask the legal experts and the clerics to help the judicial branch in solving problems.

Also, in the interview, Mr Yazdi described the purpose of his visit to the provinces, which was to get a firm understanding of the problems, find their roots, and find appropriate solutions to them. He added: It is helpful to be familiar with the various problems of every province and city, the results of which are to gain an understanding of the common problems throughout the country as well as understand local problems connected with the social and economic situation of the region, all of which influence judicial issues and must be evaluated. He mentioned the use of the legal power of the judiciary of the itinerant courts, the proposal for which has been offered to the Majles and which will solve some of the local and seasonal problems, as well as the law for general courts, which upon ratification will be one of the changes of the judiciary in the future. He added: The Ministry of Justice has made a detailed examination, and with the help of the government in the five-year plan, the resources that can be effective in the development of the judiciary, including the budget organization

and employment issues, have been taken into consideration. With their ratification by the Majles and more attention by the representatives, the problems shall be solved.

Sixty-Five Percent of Taheri Floating Jetty Completed

*90OI0091B Tehran JOMHURI-YE ESLAMI
in Persian 30 Nov 89 p 3*

[Text] Bushehr—JOMHURI-YE ESLAMI correspondent—On the eve of the start-up operations of the Vali 'Asr-e Kangan gas refinery, 65 percent of the construction of the Taheri floating jetty for the export of liquid gas at Bandar Taheri has been completed.

This completion, whose construction and start-up are being carried out by domestic and foreign specialists, is one of the great Kangan natural gas projects, and every day 38,000 cubic meters of liquid natural gas are exported through the nation's Persian Gulf ports.

The Vali 'Asr-e Kangan gas refinery, which is one of the nation's national projects, is the largest gas refinery in the Middle East and the second largest in the world from the standpoint of production capacity and gas refinement, which take place in two stages. Currently, Center Number Three for distilling gas has begun operations at this plant, and when the other centers are put into operation 80 million cubic meters of gas will be produced at this refinery.

This refinery in the Bandar Kangan region is a part of the Municipality of Bushehr and was inspected by the governor-general of Bushehr, the province deputy governor-general for security, and the governor and district governor of Kangan and Jamvariz. During this inspection the governor-general of Bushehr and his companions became familiar first-hand with how rapid progress is being made at the refinery.

Domestic Boiler Technology Reviewed

*90OI0069A Tehran ETTELA'AT
in Persian 23 Nov 89 p 4*

[Text] Arak—IRNA—The first international seminar reviewing the boiler technology of power stations in Iran commenced yesterday morning amid ceremonies with the participation of 250 domestic and foreign specialists in the assembly hall of Arak's Azar Ab Industries.

According to this report, during the inaugural ceremonies of the seminar, at the commencement Azizi, the managing director of the Arak Azar Ab Industries, presented a report. He said: The Azar Ab plant commenced its production operation since the beginning of the year with a foreign exchange investment of \$100,000 plus 30 billion rials, for the annual production of 25,500 tons of power plant equipment and the output of three units of boilers per year.

He added: The factory will supply the market with boilers, 85 percent of which are manufactured within the country.

Referring to contracts concluded by the Azar Ab Factory, he mentioned the manufacture of three power plant boilers for Qazvin's Shahid Raja'i power plant as the factory's greatest contract and added: The contract worth 15 billion rials was concluded between Azar Ab and Tavanir Company. Its installation and erection works will be completed in 1371 [21 March 1992 - 20 March 1993] and will save the country \$20 million in foreign exchange.

The report shows that in the course of the seminar Ramazanianpur, the Ministry of Heavy Industries' parliamentary deputy, said during a speech: An investment of approximately 170 billion rials is envisioned in the 5-year plan for the heavy industries' sector. He emphasized that 40 billion rials of that amount will be invested for the manufacture of equipment required by the power and energy sector.

The report indicates that the 2-day seminar while summing up the papers and views of domestic and foreign experts, reviewed the latest achievements in the design, manufacture, and installation of boilers in accordance with international criteria. At the end of the seminar prizes shall be granted to those who present the best papers.

Progress, Plans for Western Region Irrigation

90OI0070A Tehran RESALAT in Persian 20 Nov 89 p 8

[Text] Engineer Mahmudi, managing director and chairman of the board of directors of the Western Regional Water Organization, who visited Ilam province to oversee irrigation plans and to review water requirements, said in an interview that with an expenditure amounting to 40 billion rials, potable water requirements for 50 towns in the western region of the country has been provided for and 60,000 hectares of dry land have been irrigated.

The managing director of the Western Regional Water Organization said: The Western Regional Joint Stock Company is a dependency of the Ministry of Energy that operates within 5 provinces including the provinces of Ilam, Bakhtaran, Kordestan, Lorestan, and Hamadan. The area of its range of operations extends to 120 square kilometers encompassing 160 towns and city regions. The duties of the company include reviewing and executing plans for the provision of potable water for urban areas, provision of irrigation water, and the study and maintenance of regional water resources.

Engineer Mahmudi pointed out that during the imposed war the company's tasks also included the provision of drinking water for certain combat units as well as for some campsites of Iraqi refugees and war migrants. Also the reconstruction of damaged water facilities in the region was among the tasks of the company.

The managing director of the Western Regional Water Company defined the potentials of the region's water and soil as "rich" and added: The western region of the country is one of the most pluvial regions of the country after the northern and north-western areas, and its average rate of atmospheric downpour is approximately 450 mm.

Describing the operations so far carried out, he said that after the triumph of the Islamic Revolution the Western Regional Water Company launched a drastic effort toward tapping the god-given potentials of the region for the purpose of attaining the goals of development and lessening the burden of deprivations, with the assistance of Almighty God and the help and support of the Ministry of Energy, the officials of the target provinces, as well as the honest efforts put up by the company's workers.

Engineer Mahmudi classified the completed works into two categories: 1) establishing facilities for the provision of irrigation water, and 2) establishing potable water facilities and sewage for urban areas. He said that after the triumph of the Islamic Revolution the amount of 18.5 billion rials was expended on 130 plans and projects for the construction of a reservoir dam with a capacity of 220 million cubic meters and the building of 57 deviation dams, 15 pumping stations, 191 kilometers of waterducts and irrigation grids, the excavation of 1,150 pyrometric wells with a total depth of 30,100 meters, excavation and equipage of 100 irrigation wells, issuance of 17,000 excavation and operation permits for the use of water resources. As a result of executing the said plans 60,000 hectares of regional areas were irrigated, and permits for taking 1,837 million cubic meters of water annually from surface and subterranean water resources were issued to applicants and farmers.

Describing the works carried out in providing potable water for towns and city regions, the managing director of the Water Company said: Approximately 22 billion rials has been invested in the sector of providing potable water for the execution of 81 plans and projects, among the most significant of which the construction of 190,000 cubic meters of water reservoirs, and the procurement, transportation, and installation of 1,975 kilometers of transfusion and distribution lines, the excavation and equipage of 117 potable water wells, the erection of purification plants with a 65,000 square meters capacity per 24 hours, and the provision of short-term, middle-term, and long-term water for 50 towns, are worthy of being mentioned.

Engineer Mahmudi added that in the current year the study and execution of 111 potable water projects, the provision of irrigation water and urban sewerage are under way with a budget amounting to 9 billion and 800 million rials. This includes the building of a small reservoir dam, 8 deviation dams, 7 pumping stations, the construction of 105,000 cubic meters of urban water reservoir, a study of water for 13 towns, the procurement, transport, and installment of 210 kilometers of

transfusion and water distribution lines, commencing the erection of a purification plant with a round-the-clock capacity of 35,000 cubic meters, as well as the study and review of a sewerage project for 7 towns.

Pointing out to the Energy Ministry's special attention to lifting the deprivations of various regions, Engineer Mahmudi said: To enhance the use of the rich water and soil resources of the region and in pursuing the policies of the Ministry of Energy regarding the adequate use of both surface and subterranean water resources of the region and to tap and exploit these potentials, the company has prepared a vast program for the study of these resources which currently is under way. Parallel with this policy, at the present time a large group of consulting water engineers are cooperating with the company. The goal of these studies is to design reservoirs, deviation dams, and pumping stations for the favorable areas of neighboring and adjoining basins. From among these plans, the study of deviation dams of Gavishan and Cham Gardalan with a goal of irrigating approximately 50,000 hectares of fertile areas of the Bakhtaran and Ilam provinces, and also the provision of potable water for the city of Ilam may be mentioned. Fortunately the said plans enjoy a favorable trend of study in their initial phase.

At the end of the talk, Mr Mahmudi, managing director and chairman of the board of directors of the Western Regional Water Company, said that the company—like other departments, organs, and the people of the region—is stuck with numerous bottlenecks and has suffered heavy damage due to the occurrence of the imposed war—also having lost many exalted martyrs to the cause of the Islamic Revolution. Therefore, to compensate for past shortcomings, further acceleration of the reconstruction effort and the betterment of water facilities, the company is more than ever in need of the help of the respected officials of the state—to allot construction material quotas, such as crankshafts, pipes, etc., and the creation of adequate attraction for attracting experts and know-how, as well as giving priority to the provision of workshop and field machineries.

Telephone Center Inaugurated in Mohammad Yar
900I0069C Tehran ETTELA'AT
in Persian 23 Nov 89 p 18

[Text] Orumieh—The 1,000 number telephone center of Mohammad Yar district, a tributary of the Naghadeh city region was inaugurated before noon yesterday amid ceremonies, and was put into operation for the use of the inhabitants of the region.

According to a report by IRNA, the Mohammad Yar Telephone Center that was made operable by the efforts of the telecommunications workers happens to be the 19th automatic urban telephone center proceeding to function in West Azarbaijan.

The center shall enter into the nation's aggregate communications network with an inter-city code before the end of the year.

During the inaugural ceremonies, the general manager of West Azarbaijan's telecommunications declared that in order to enhance the communications capabilities of Bazargan township its 400 number telephone center was also increased to 1,000 numbers.

PAKISTAN

President Says 'No Compromise on Kashmir'

46000052A Lahore THE PAKISTAN TIMES
in English 3 Dec 89 pp 1, 4

[Text] Islamabad—President Ghulam Ishaq Khan said Saturday that India's massive defence buildup, the launching of its intermediate range ballistic missile "Agni" and its acquisition of nuclear submarines were causes of concern for Pakistan.

In his address to the Parliament, President Ishaq Khan reviewed the Indo-Pakistan relations, with particular reference to the increased bilateral contacts between their Prime Ministers and at other levels.

The President, however, said that the conclusion of the agreement on prohibition of attack against nuclear facilities and installations last December was an "important achievement of the government."

He termed it as "timely and positive confidence-building measure" and expressed the hope that the Indian government would be more forthcoming in initiating discussions on bilateral or regional test ban treaty. "We are prepared to consider any equitable and nondiscriminatory proposals to keep the region free of nuclear weapons", he said.

The President stated that in seeking a better relationship with India, Pakistan was guided by realism and a clear vision of its interests and its needs. He noted that the Indian Prime Minister visited Pakistan twice during the last 10 months, besides a number of other meetings at the ministerial and official levels had taken place. The Pakistan-India Joint Commission was convened after a hiatus of several years. An agreement was reached for the resolution of the dispute on Siachin glacier area, but, he regretted that progress in implementing the agreement had not matched Pakistan's expectations. He, therefore, hoped that India would implement the "understanding" that was reached between the Defence Secretaries of the two countries.

President Ghulam Ishaq Khan also referred to the dispute between India and Pakistan over the Jammu and Kashmir state, and declared amidst thumping of the desks "there can be no compromise on our position on Jammu and Kashmir".

He declared that Pakistan shall not waver in its support for the exercise by the people of Jammu and Kashmir of their inherent right of self-determination through a free and impartial plebiscite.

About Wuller barrage, President Ishaq noted that the Indian government had agreed in 1987 to suspend construction work on it till the currently underway negotiations were completed. Pakistan was confident that the matter would be resolved amicably and in accordance with legal obligations.

The President also hoped that the Indian government would safeguard the rights of its Muslim minority and places of their worship. He noted that the plan to construct a temple, despite the injunctions of a court, at the site of the Babri Masjid had led to communal riots in which many Muslims were killed.—APP

Constitutional Basis for Linkage With Azad Kashmir

46000055B Islamabad

THE MUSLIM in English 13 Nov 89 pp 4, 7

[Article by Khwaja Noorul Ameen]

[Text] There have been pervasive speculations pertaining to the imminent dismissal of the Muslim Conference government in Azad Kashmir, under the Azad Jammu and Kashmir Interim Constitution Act of 1974, and the induction of an interim government. It has resulted in the exacerbation of an already acrimonious, indeed inimical, relationship between the Muslim Conference and the People's Party. Both "belligerents" have indulged in platitudinous rhetoric, amidst an atmosphere charged with invective. There have been, in this war of words, frequent personalised and opprobrious recriminations and vituperative threats.

The resultant polemic focuses on the constitutionality of the proposed interim government, under the said Act. It is proposed, here, to tabulate the salient characteristics of the Act, which determine and impinge upon the constitutional relationship of Azad Kashmir vis-a-vis Pakistan. It is optimistically anticipated that the several grave misconceptions in this context would thereby be removed.

Sovereignty

The supreme constitutional authority or sovereignty, under the said Act, vests in the Pakistan government; the Azad Kashmir government is simply subservient to it, a surrogate or satellite if you like. The A.K. government possesses only such powers and authorities which its overlord and creator, the supreme authority, i.e., the Pakistan government, has, by virtue of its sovereignty, delegated to it. A perusal of paragraphs 4 and 5 of the Preamble to the Act would render this indubitably clear.

It is stipulated therein that the Pakistan government has approved of the repeal of the preceding A.K. government

Act of 1970 and authorised the A.K. President to introduce the said Act as a Bill before the Legislative Assembly of Azad Kashmir. The constitutional paramountcy and overlordship of the Pakistan government over Azad Kashmir thus becomes crystal-clear. The said Act is replete with sections vindicating and corroborating this rudimentary basis of the constitutional relationship between the two governments. A glance at the undermentioned sections would further substantiate the self-evident truth: Ss. 4(7) (2), 19(2), 31(2), (3), 33(1), 42(4), 43(2), 50(1), 50A, 53, and, of course, the all-important, S. 56.

The Azad Kashmir government owes its legal existence to the said Act, whereas the latter (the Act) owes its existence and legal validity to the Pakistan government.

The Pakistan government has, under the UNCIP [United Nations Commission for India and Pakistan] resolutions, the responsibility to provide for the governmental infrastructure in Azad Kashmir, till the plebiscite envisaged therein is held. This significant fact is conspicuously mentioned in the Preamble to and Ss. 31(3) and 56 of the said Act. Consequently, the Pakistani credentials in the context of its political and legal sovereignty over Azad Kashmir are considerably bolstered, vindicating the formation of governments in Azad Kashmir and vicissitudes therein at its behest.

The aforesaid resolutions treated and envisaged the Azad Kashmir administration at the relevant time as a mere "local authority" placed under the Pakistani auspices for the time being.

The powers and authority which the Pakistan government possesses by virtue of its unchallenged political and legal supremacy over Azad Kashmir, have a supra-constitutional origin and basis and the exercise thereof would be beyond the realm of judicial review, as far as the Azad Kashmir judiciary is concerned.

The Pakistan government has two categories or dimensions of powers in its "arsenal" in its relationship with the Azad Kashmir government—the constitutional and the supra-constitutional powers.

Firstly, it has such powers and authorities as are expressly and specifically embodied in the said Act as, inter alia, foreign affairs, foreign trade, currency, security and defence of Azad Kashmir—S. 31(3).

Secondly, it possesses the intrinsic powers and authority, constituting the inseparable and indispensable concomitant of the principles of political overlordship and legal sovereignty as acknowledged by international law, by virtue of the unchallengeable and factual supremacy it enjoys over Azad Kashmir. These latter powers, it has, regardless of and notwithstanding the said Act.

No Fetters

The converse position applies in the case of the Azad Kashmir government. The said Act is the supreme law as

far as that government and the people therein are concerned. It cannot therefore transcend the powers and authority delegated to it therein and any attempted transgression in this context would be devoid of any constitutional or legal validity.

The vociferous reiterations by the ruling leadership in Azad Kashmir, that in the event of any Pakistani intercession, they would, as preventive measure, abolish the Jammu and Kashmir State Council, is legally preposterous and untenable, in view of the unequivocal provisions of the said Act.

Any amendments in the said Act or its abrogation have different legal perspectives and repercussions under the constitutional law as prevailing in Azad Kashmir. Any such amendment must necessarily be in conformity with the procedure stipulated therein, i.e., S. 33 of the said Act, which makes a majority of the members of the joint sitting comprising the A.K. legislative Assembly and the State Council, legally mandatory, in this regard. This is an inescapable provision, being obligatory in nature and being equally binding upon both governments. Any aberration therefrom would be unconstitutional.

As opposed to this, the inherent power to abrogate the said Act vests in the Pakistan government, by virtue of its absolute sovereignty over Azad Kashmir. There are apparently no legal or constitutional impediments or fetters on the exercise of that power as it deems fit.

Consequently, so long as the said Act is functional or, in legal parlance, on the statute book, the Pakistan government has to have recourse to the provisions embodied therein. It is highly improbable, to put it mildly, if it can, legally employ its supra-constitutional powers, as the sovereign authority, without abrogating the said Act.

The promulgation of the said Act, or the one preceding that, i.e., the Azad Jammu and Kashmir Government Act of 1970, did not result in any fundamental modifications regarding sovereignty over Azad Kashmir, which has, since the inception of Azad Kashmir, uninterruptedly vested in the Pakistan government. The only change has been that the Pakistan government has transferred some of its sovereign powers to its protegee, the A.K. government, in the context of internal autonomy, to the extent it has deemed appropriate.

A cardinal and axiomatic principle of constitutional law holds that where a sovereign authority delegates its powers to a subservient government, as the Pakistan government has done, it can revoke that transfer and retake and reassume the powers so granted, in its unimpeded discretion.

The fact that Azad Kashmir is not a component of the Federation of Pakistan and thus a foreign territory, under the 1973 Constitution of Pakistan or the ones preceding it, is totally irrelevant on the locus standi of the Pakistani government to interfere in Azad Kashmir.

This is so simply because such powers and authority have no legal nexus or relevance to the 1973 Pakistan Constitution.

As the word "interim" in the appellation of the said Act implies, the Pakistan government did not contemplate a permanent role for the said Act, in its constitutional relationship with Azad Kashmir. This was so even before the legal inception of the said Act. It superseded the 1970 Act amidst cautious optimism that it may lead to a better modus vivendi between the two governments, within their respective spheres of influence.

In view of the above appraisal, the way that the A.K. leadership is invoking the impregnability and inviolability of the said Act against the Pakistan government, is grotesquely bizarre, ridiculous and at times comical.

Keeping in mind the aforementioned constitutional features, the all-important question is whether Pakistan can impose and install an interim government in Azad Kashmir. The only relevant provision in the said Act itself is S. 56, whose significance warrants its being reproduced here in full:

Nothing in this Act shall derogate from the responsibilities of the Government of Pakistan in relation to the matters specified in S. 31(3), or prevent the Government of Pakistan from taking such action as it may consider necessary or expedient for the effective discharge of those responsibilities.

For our purposes, the pertinent provision in S. 31(3) is contained in clause (a) thereof, which reads thus:

The responsibilities of the Government of Pakistan under the UNCIP resolutions.

Section 56 is a residual provision, intended to cater for any unforeseeable political exigencies and constitutional eventualities. It may be innocuous in plain reading but has sinister and indefinable implications under constitutional law. It is the proverbial sword of Damocles over the Azad Kashmir government. It is expressly and unequivocally supra-constitutional in its applicability. It is thus a provision in the said Act itself, consecrating and acknowledging the supra-constitutional powers of the Pakistan government vis-a-vis Azad Kashmir. Additionally, it embodies an attempt to preclude judicial review or at least to render it extremely difficult, for the words "as it may consider..." presuppose a subjective as opposed to objective criterion.

Let us envisage a scenario wherein the Pakistan government concludes that a replacement of the existing government in Azad Kashmir is necessary or expedient for the effective discharge of those responsibilities, and puts it in black and white, without elaborating on it or assigning any reasons therefore. Let us assume further that it purports to dismiss the existing government at Muzaffarabad and install an interim government in its place. And that it does all this purportedly by invoking S. 56 of the said Act. What would be the legal repercussions

of such an action? The A.K. government would in all probability invoke the writ jurisdiction of the High Court, to have it declared unconstitutional. Sardar Muhammad Ibrahim, when ousted as the A.K. president by the Pakistan government, in 1977, did precisely this.

He was dismissed under S. 56 of the said Act. The matter was adjudicated upon in 1989, thus rendering it largely inconsequential. Additionally, the decision is far from flawless as General Ziaul Haq was not even impleaded as a party. Furthermore, the Division Bench was actually divided, rendering it legally obligatory to constitute another Bench to consider the question afresh. Even otherwise, as stated earlier, a judicial review to decipher the legal propriety or rectitude of the subjective criterion forming the basis for the action would be an exercise in legal perfunctoriness.

Supposing that the A.K. judiciary, indomitable as it is, does pronounce it to be unconstitutional. This would lead to an inevitable constitutional crisis and an unimaginable showdown between the two governments, probably precipitating the abrogation of the said Act itself. An interesting scenario may then unfold itself; the A.K. High Court and the Supreme Court being the creatures of the said Act themselves, would stand abolished forthwith as the abrogation would not automatically revive the preceding laws in this context. Thus any recourse to these superior courts would become legally impracticable.

It is, therefore, apparent that S. 56 is as ominously comprehensive and all-encompassing as it was intended to be by the Constitution makers. It has its tentacles enveloping the A.K. government in a multi-dimensional way. It can thus apparently be invoked successfully by the Pakistan government to dismiss the A.K. government and to install an interim government in its place. It must be stated and confessed here that the political repercussions of such an act are alien and irrelevant to an analysis under constitutional law and have, therefore, been left untouched in this writing. Doubtless the highly volatile and inflammable contemporary political situation would have a decisive bearing on the advisability and feasibility of any such move, irrespective of its legal or Constitutional connotations which may then be relegated to a secondary place.

PPP's Past, Future Policies Discussed

46000063C Islamabad THE MUSLIM
in English 4 Nov 89 p 4

[Text] The PPP [Pakistan People's Party] parliamentary party meeting held on Thursday was possibly the most appropriate step to be taken in the aftermath of the critical events of the last ten days. It suggests that the party leadership has finally begun to scratch the surface of the mound of its errors of omission and commission of the last ten months, which almost brought it to grief in the week that was. The resolution of no-confidence in the Prime Minister which the COP [Combined Opposition Parties] unsuccessfully tried to move was partly inspired

by the opposition's inherent desire to unseat the ruling party, and partly aided by the litany of complaints against the performance of the PPP. The failure of the motion should be seen as a timely reprieve for the ruling party—an opportunity to recover the ground since it had gained power in those euphoric days of December. Acquiring the right to rule through a popular mandate does give a party an immense reservoir of confidence which helps it to survive the initial critical days. But like most such stores, this reservoir too is affected by the process of depletion, depriving the party of the comfort that it has a mandate behind it.

It is apparent that in its eleven months of rule the popular goodwill for the PPP has been eroding. There was a need therefore for a serious reappraisal. To this end, the PPP's parliamentary party meeting served a useful purpose in taking stock of its performance and identifying its many weaknesses which contributed towards strengthening the COP's case against it.

Although, given the very difficult circumstances the party inherited from the beginning, its initial achievements are by and large worthy of praise. There was the problem of dismantling the wreckage of administration left behind by a government which was answerable to no one. But this did not allow for slackness in management of national affairs as all elected governments must be aware that today's problems must not be left for the day after tomorrow.

It was in this facet of its rule that the PPP erred most. While it managed much in eliminating many of the baneful legacies of the past, it has been unable so far to provide an effective government. Consequently the PPP Cabinet has attracted flak from a number of quarters.

It's difficulties in being able to deliver the goods are to some extent due to the weak and oversized team that runs the government. Given the usual exigency of filling important posts, not on the basis of talent but because of political compulsion, it was not unexpected that there were too many round pegs in square holes. But if this was not bad enough, the Prime Minister also conscripted a vast army of assistants, advisers, OSD [Officers on Special Duty]s and a variety of other sinecures, whose powers and work at times paralleled that of the existing ministers and bureaucrats. With many of the non-elected party loyalists finding slots in the inner caucus of the government, a management emerged which appeared to be simultaneously functioning in many dimensions. How this was expected to provide an efficient government could best be explained by the party leaders themselves. While a minister was in charge of a ministry, there was a whole battery of advisers and OSDs directing policy matters in the same ministry, their success in this matter being in direct ratio to their ability to claim close access to the Prime Minister House.

One expects that the PPP leadership is wiser now after the experience of November 1 and complaints raised at the parliamentary party meeting by the MNA [Member

of National Assembly]s. There are just too many cooks with the proverbial spoiling of the broth that has done the party no good. A shedding of some of the non-elected baggage and correcting some of the outstanding anomalies in ministerial offices, might just be the panacea that will help the government recover its health. The shock caused by the no-confidence resolution, we hope will be taken seriously and not glossed over by the usual rhetoric that is a common feature on such occasions to prove the unperturbability of a party.

PPP Accused of Involving Judiciary in Politics

46000058A Islamabad THE MUSLIM
in English 10 Dec 89 p 8

[Text] Islamabad, Dec 9: Chaudhry Shujat Hussain, leader of IJI [Islamic Jamhoori Ittehad] Parliamentary Party in the National Assembly, has expressed his grave concern over what he alleged a planned campaign of the ruling PPP [Pakistan People's Party] to involve country's judiciary into politics. He said the PPP leaders were openly saying that seven Judges of the Supreme Court support the Prime Minister while they were trying to convince the other four.

In a statement on Saturday Chaudhry Shujat Hussain said that intentionally an atmosphere was being created to tarnish the prestige, independence and impartiality of the judiciary, and today everybody was speculating on the expected verdict of the Court. Regretting this state of affair he said the entire responsibility for this lay on certain PPP stalwarts and Federal Ministers, who despite the fact that the case is before the Court, they were trying to influence the opinion of Judges.

The IJI leader said he learnt through reliable sources that an important personality of Sindh province ad arranged a get together recently in Karachi between the Judges of Supreme Court and certain Federal Ministers on the pretext of hosting dinner in honor of the Judges. This, he said, has been done because the Federal Ministers could not go before the Supreme Court, hence an opportunity was provided to them to explain their point of view on the case. He said this proved that efforts were being made to influence the verdict of the Judges at the highest level. Deploring this the IJI leader said that at the same time claims were being made that seven Judges were supporting the Prime Minister.

Chaudhry Shujat Hussain said during the previous Bhutto regime these people had also been talking about the judiciary in the same manner. These people, he said, hold the view that whatever they would like would be done by the judiciary, and perhaps for this very purpose they hold talks with Judges at various receptions apprising them of their point of view in a bid to convince them.

He said that PPP Ministers were not lacking too in passing remarks about the Judges, completely ignoring the prestige and respect of the judiciary. Regretting this attitude of the PPP leaders the IJI leader warned that if

the verdict of the Court came in accordance with the impression created by them this would not only cause irreparable loss to the prestige, independence and impartiality of the judiciary, but the people would also lose their faith in the country's judiciary.—PR

Fazle Haq Says Mid-Term Elections PPP's Only Option

46000058B Islamabad THE MUSLIM
in English 10 Dec 89 p 6

[Text] Mardan, Dec 9: Former NWFP [North-West Frontier Province] Governor, Lt Gen (Retd) Fazle Haq told a large public meeting in Mardan that the PPP [Pakistan People's Party] government was now left with no option but to hold mid-term elections prior to the 1990 budget.

The meeting was held in Par Hoti. Earlier, he was received by a slogan-chanting crowd at Bacha Khan Chowk and brought to the city in a long procession. The processionists raised slogans against the PPP government and in support of IJI [Islamic Jamhoori Ittehad].

It was Fazle Haq's first public meeting in his home town since his release from jail in the murder case of TNFJ [Movement for the Promulgation of Islamic Law] Meader Allama Arif Hussain al-Hussaini. Other speakers included Jamaat-i-Islami NWFP Chief, Maulana Gauhar Rehman, IJI Mardan Division President, Abdul Sattar Khan and former Provincial Minister Ghani Dad Khan. IJI Provincial General Secretary, Haji Javed was also present on the occasion.

Fazle Haq predicted that IJI would win future polls as the people were thoroughly disappointed with PPP. He remarked that the PPP government had given nothing to the people except inflation, unemployment, bribery and "Sifarish". He alleged that PPP aimed at imposing one-party rule in the country but its designs would soon be frustrated.

Fazle Haq, who is MNA [Member of the National Assembly] from Kohistan district, said IJI would never allow the rulers to torpedo the Afghan 'jihad' or accept Indian hegemony. He said the government had recruited an army of ministers to loot the public exchequer. The purpose of People's Works Programme was to fill the pockets of PPP workers. The Placement Bureau had rejected the talents of the deserving and the official mass media had been reserved to project the image of a particular family.

Fazle Haq added that he feared none and would never be bought and bullied. He said his past few months in jail had made him wiser to differentiate between friends and foes.

Fazal Criticizes Government Relations With COP

46000057A Islamabad THE MUSLIM
in English 13 Nov 89 p 7

[Text] Multan, Nov. 12: Maulana Fazalur Rehman, Secretary General, Jamiat Ulema-e-Islam, said that PPP [Pakistan People's Party] Government did not contact the leaders of the Opposition to redress their grievances and creating congenial atmosphere in the country. Talking to newsmen on Saturday night before his departure to Lahore, the Maulana said Benazir Bhutto had not taken any notice of the objections and complaints made by the opposition during no-confidence motion proceedings.

He said that JUI [Jamiat-i-Ulema-i-Islam] had developed differences with PPP on the question of implementation of Shariat and added the JUI ended its negotiations with PPP Government.

He said that the government itself pushed JUI to the extreme point as PPP never thought that JUI could react so strongly on the question of Shariat. The Maulana said the PPP did not have majority in the National Assembly and if it wanted to remain in power it should recognise the Governments of Punjab and Balochistan. He said the PPP government was not willing to convene the meeting of the Council of Common Interests (CCI) and it was making lame excuses.

The JUI Secretary General said the real issue was to evolve viable working relationship between the centre and the provinces. For this purpose the meeting of CCI should be convened and grievances of the provinces be remedial. The need for convening the CCI meeting was endorsed by the resolution adopted by the NWFP [North-West Frontier Province] Assembly he said. When asked about the government contacting the MRD [Movement for the Restoration of Democracy] leaders or the moderates the Maulana Fazalur Rehman said it appeared that the government wanted to create differences among them by approaching individuals of the component parties of COP [Combined Opposition Parties].

He alleged the opposition leaders were being victimised and a vilification campaign had been launched against them.

To a question about the induction of three IJI [Islamic Jamhoori Ittehad] men in Cabinet the Maulana said the JUI had refused the offer of ministries on principles and added that government would not be allowed to exploit the JUI to strengthen its rule.

Reiterating JUI's unflinching support for Afghan Mujahideen, he alleged that the PPP government had abandoned the cause of Mujahideen. He also said that JUI would continue to support the suppressed Muslims all over the world. Expressing his concern over the dispute of Babri Mosque, he called upon the government to interfere at diplomatic level.

Sindh MNAs Apprise PM of People's Programme Development

46000053B Lahore THE PAKISTAN TIMES
in English 6 Dec 89 p 12

[Text] Islamabad—The Prime Minister Mohtarma Benazir Bhutto has emphasised the need of devoting optimum time and energy for resolving the problems of the people while talking to a group of MNA [Member of National Assembly]s at a luncheon meeting here on Wednesday.

The Prime Minister said that Pakistan People's Party [PPP] was committed to uplift the poor, the dispossessed and down-trodden sections of the society and the public representatives have a great role to play in this regard.

It is utmost necessary that the MNAs accord top priority to ascertain the development needs of the people of their respective constituencies and put forth viable proposals to the government in this connection.

The MNAs apprised the Prime Minister of the progress of on-going development schemes launched in their areas under the People's Programme and assured the Prime Minister that they would work to the best of their capabilities in the resolution of the day-to-day problems of the people irrespective of political consideration or party affiliation.

The MNAs who met the Prime Minister include Syed Qurban Ali Shah, Agha Ata Mohammad Khan, Mir Mehran Khan Bijrani, Sardar Mohammad Muqim Khan Khoso, Mr. Bhagwandas Chawala, Faqir Abdul Haque alias Mian Mitho, Mr. Nur Mohammad Khan Lund, Mr. Assar Das, Pir Syed Abdul Qadir Shah Gilani, Mr. Hakam Ali Zardari, Haji Rehmatullah Behan, Syed Shabbir Ahmed Shah and Mrs. Ruqia Khanam Soomro.

Federal Ministers and Minister of State present in the meeting were Begum Nusrat Bhutto, Senior Minister, Mr. Ali Nawaz Shah, Minister for Industries, Agha Tariq Khan, Minister for Culture and Sports, Mrs. Mehmooda Shah, Minister of State for Special Education and Social Welfare, Syed Pervaiz Ali Shah Gilani, Minister of State for Youth Affairs and Syed Zafar Ali Shah, Minister of State for Water and Power.

Deputy Speaker, National Assembly, Dr. Mrs. Ashraf Khatoon Abbasi was also present during the meeting.—PPI

Sindh Government Extends G.M. Syed's Detention

46000065C Islamabad THE MUSLIM
in English 11 Nov 89 p 1

[Text] Hyderabad, Nov 10: The Sindh government is said to have extended the detention period of nationalist Sindh leader G.M. Syed, 85 and his colleagues for the next 30 days with effect from today.

The ageing leader who is now under house arrest at his Karachi residence was placed under detention on the orders of Sindh Government under MPO [Maintenance of Public Order] for 30 days along with his other 30 colleagues while he was undertaking his tour to the upper Sindh at Kashmore on Oct 10 on the charges of sedition and desecration of the national flag at the Sukkur airport.

Democracy Seen as Only Alternative for Sindh

46000050D Karachi MORNING NEWS
in English 2 Dec 89 pp VII, XI

[Article by Asif Baluch: "Democracy—The Only Alternative for Sindh"]

[Text] Undoubtedly, people in Sindh have full faith in democracy and their own survival and well being is linked with a democratic order. All the previous personal rules, autocratic regimes and Martial Law administrations brought miseries, oppression and suppression for the people of this province.

When the people in this province were given a free chance and choice, they opted for a democratic order. Hardly anyone, barring those who got benefits from the autocratic rulers, or people engaged in exploitation and wanting to continue it will support an unelected, undemocratic and autocratic system of Government.

All Sindhis, irrespective of their languages and different cultural backgrounds, are self-respecting people. They favour a Government by their chosen representatives. To achieve this they struggled and offered tremendous sacrifices.

After 11 years of Martial Law or a quasi military Government, Sindh has experienced a democratic order for the past one year. The military rulers were solely responsible for ruining the economy, destroying the entire socio-cultural fabric of the Sindhi society for their own personal ends. The brutal military Government went to the extent of threatening the personal and private lives of the entire Sindhi people by adopting different tactics and means.

Martial Law brought in law and order problems, introduced the bandits, equipped them with sophisticated weapons, provided them shelter and some of the very influential people in the administration or in the political front were asked to harbour those criminals. There is evidence that some of the notorious bandits also got formal training semi guerilla warfare. The main objective for inducting, encouraging or patronising the bandits in the jungles of Sindh was clearly linked with destabilising the entire society of the province, irrespective of its rural or urban characteristics.

The second problem which came to surface on the political front was the mushroom growth of the ethnic organisations. This too was promoted on the soil of

Sindh alone, and nowhere else in Pakistan. Such organisations were formed and promoted during the quasi military rule following the 1985 partyless elections.

The main purpose of these ethnic organisations was to set up a parallel Government in this province, undermine the existing administrative setup so that any future elected Government should not be able to implement its plan for the development and well being of the people. The bases of the popular political parties were to be eroded to the extent that the supporters of the autocratic rule would not find it difficult as and when they want to stage a come back.

What happened during the last 11 years in this province? It can be judged from the law and order situation which prevailed during those days. Every man was inside his house before the sunset in the interior regions of the province. In urban centres, like Karachi and Hyderabad, all the shopping centres, business establishments, factories were closed by 7 p.m. and all the major roads of Karachi and Hyderabad were a deserted look by eight at night.

The bandits formed 'Lashkar', like tribal lashkars in the primitive society to raid the houses, banks, villages and commercial centres destroying every thing which came in their way. Killing people without asking them to surrender their valuables. The gang of bandits numbered over one hundred in normal cases. They were heavily armed with sophisticated weapons and did intelligence gathering prior to conducting raids on villages and financial institutions, banks and commercial centres.

This correspondent personally witnessed a gang of over 50 bandits using rocket launchers destroying the houses in Bughio village near Moro as the two of young village guards dared to challenge their incursion from a vantage point. They went on firing rockets on the position held by the two young guards smashing the entire structure in a fraction of a minute. Then they entered the village, killed many and fled with valuables.

To further strengthen the bandits, there was an unprecedented jailbreak at Sukkur from where all the notoriously known hardened criminals were freed by exploding the walls of the most secure prison of the country. Later on, in September 1988, the same criminals were used to kill hundreds of innocent people in Hyderabad.

The next day, there was a so-called backlash in Karachi where over a 100 innocent people were shot dead in revenge killings.

The question here arises that were the then rulers were incompetent of was it all pre-planned? If it was pre-planned, then by whom. All those criminals rounded up in Karachi were interrogated by the CIA [Crime Investigation Agency]. They confirmed that they were used by some people who are still at large. Only after their arrest, the people in this province will come to know the real motives behind the killings of the innocent people in Karachi and Hyderabad.

However, the people in Sindh have a pleasant experience of the one year of democratic rule by their own chosen representatives. The entire atmosphere looked relaxed, people reposing their confidence in their representatives whom they gave a mandate to rule the province for a complete term of five years.

There are no Martial Law courts, no arbitrary arrests, detention or summary trials and thus no conviction without the right to defend oneself. The Government stopped using the questionable laws of preventive detention. Even the criminals, including the hardened ones, were not detained under the preventive laws, leave aside the political opponents of the Government.

In the recent months, the Government only used the administrative machinery in apprehending the criminals.

The Government has preferred to gear up the administrative machinery bringing the law and order situation back to the rails. Almost all the notoriously known criminals of the Province were rounded up, some of them shot dead in encounters with police or other law enforcement agencies.

All the dangerous criminals who escaped from Sukkur Jail were either arrested, killed in encounters or are on the run for their life. At least their activities were contained and most of their hideouts smashed and their patrons rounded up in almost all the dacoit-infested regions of the province.

The bandits started their operations from the jungles of Dadu and they steadily spread it to Nawabshah, Sukkur, Larkana, Shikarpur, Jacobabad, Khairpur, Sanghar, and up to Hyderabad and Karachi. The constant pressure on the bandits proved fruitful. They were chased out from Jacobabad, Larkana, Shikarpur, Sanghar, parts of Hyderabad district. Now their activities are confined to a smaller region comprising some parts of Naushero Feroz, Dadu and Sukkur only. They have been denied their hideouts in Nasseerabad in Khuzdar regions of Balochistan by using the civil armed forces of the two provincial and Federal Governments.

Government actions and strict security measures in the past one year, have gradually restored the people's confidence in the local administration. Security in rural Sindh has improved considerably and there are less or number of cases of kidnapping for ransom reported from the interior regions, with very few from Karachi or Hyderabad during the past several months. The Government has managed to restore the confidence of the businessmen who were earlier scared following some cases of kidnapping for ransom. The Karachi Police only last week busted two important gangs of criminals involved in hostage taking which succeeded in securing a ransom money of over 20 million during the past couple of years. Their entire network has been smashed by the Karachi police.

In Karachi, the Government faced a different form of law and order problem altogether. Its coalition partner, the Mohajir Qaumi Movement [MQM], do not extend the necessary help in improving the law and order situation in the provincial capital. In some cases, their own people were allegedly involved in disturbing the public peace resulting in the imposition of curfew in different localities off and on. The Provincial Government heavily relied on its coalition partner in assisting the local administration in this regard. On the contrary the officials of the local administration got the impression that the coalition partner was misusing its officials position and virtually set up a parallel administration undermining the existing state machinery.

During this period, almost all the MQM activists, including some MPA [Member of Provincial Assembly]s and Municipal Councillors, arrested on charges of multiple murders, attempted murders, rioting, looting and arson, were released as per an accord with the PPP [Pakistan People's Party].

Another important factor was the meddling in the administrative affairs of the local administration by the coalition partner which virtually paralysed the whole administration for several months.

Following the unilateral abrogation of the PPP-MQM Accord, the local administration, including the police, once again came under the administrative control of the Provincial Government and at least there was no meddling in the administrative affairs from the political elements, including the erstwhile coalition partners of the PPP. This brought a qualitative change in the functioning of the administration and almost all the cases are being dealt with on merit and pure merit without political pressure.

The message was loud and clear for all concerned if somebody violates the law, he can be arrested and punished in a court of law and he cannot get away with it by using mere political pressure. This brought improvement in the law and order situation in Karachi and to some extent in Hyderabad. The number of armed hold-ups, robberies has come down considerably. There are less number of people now displaying arms at public places. There were cases registered in different police stations against teenage boys caught in possession of sophisticated weapons issued to legislators of this Province. They were found using those weapons in disturbing the public peace and order. They were issued weapons from the headquarters of a political party for the use overnight and redeposit them back to the headquarters of the same political party. Now the local administration has approached the Government for cancelling the licences for these weapons issued to MPAs or MNA [Member of National Assembly]s who loaned their licensed weapons to teenage boys for creating law and order problem.

Since the entire law and order problem was administrative in nature and not a political one, as claimed by some

people, the Government adopted the administrative measures in restoring the confidence of the people in the Government as the protector of their lives, personal security, property and honour. The Government did not discriminate in enforcing the laws of the land. Anyone found violating the law was arrested without considering his political affiliation. A score of PPP workers were arrested and jailed for their alleged involvement in law and order problem or violating the law. A former President of the People's Students Federation was arrested, later bailed out by a court of law, for possessing an unauthorised weapons. Another PPP activist who remained in exile for over a decade was also arrested, and jailed and later bailed out by another court of law.

In brief, the one year of democracy and rule by the chosen representatives of the people brought an overall improvement in the law and order situation. Now most of the shops, commercial and business establishments are open till late in the night. There is no ethnic violence, no killing of innocent people merely because they belonged to another linguistic or ethnic group, no major breakdown of public order. However, the curfew was frequently clamped merely for security point of view and that too on the demand from the people of a particular locality. All attempts to engineer communal trouble in Karachi's biggest business centre earlier last month failed. The trouble was contained in less than 20 minutes and some of the trouble makers were rounded up.

The major problem for the elected Government for the next one year will be further improvement in public order and encouragement of discipline in the society by all the democratic forces. For this, the foremost task will be the recovery of illegal and unauthorised weapons, containing the flow of arms into the market by the underworld, and the arrest of all those involved in gunrunning. This too is not a political problem. It is purely administrative in nature and the law enforcement agencies must be given specific orders for the immediate recovery of arms and ammunition. Whether someone belongs to one party or the other he must surrender his unauthorised weapons to the authorities concerned within a specific period of time.

Secondly, the Government should reintroduce the system of speedy trial by the normal courts so that all those persons involved in law breaking are punished by the courts of law in the shortest possible time.

Thirdly, the Government should further strengthen the administrative set up, take administration deep into the villages by further bifurcating the existing administrative units and the police stations. A smaller administrative unit or a police station can better serve both the Government and its electorates. The people in the administration can develop closer relationship and understanding with the broad masses.

The people in Sindh have no other alternative to a democratic order. Since they have no representation in other institutions which ruled the country for over a

quarter of a century, they remained far away from the corridors of power and their status was reduced to second class citizens at the service of the real rulers. They want to become masters of their own destiny, and because of this they struggled for democracy and have undergone sacrifices for it. It democratic order alone, brought an end to oppression and hence they will resist with full force, any attempt to deprive them from their rights, including their inalienable right to self rule.

TNFJ Rally Against Gen Haq, Punjab Government

46000066B Islamabad THE MUSLIM
in English 11 Nov 89 p 6

[Text] Lahore, Nov 10: The Punjab Government is providing shelter to the murderers of Shaheed Allama Arif Al Hussaini which tantamounts that the Punjab Government wants confrontation with the followers of Shaheed Arif Al Hussaini“.

This was stated by Maulana Mushood Hussain Kazmi, President Tehrik-e-Nifaz-e-Jafria [Movement for the Promulgation of Islamic Law] [TNFJ], Lahore, while addressing the participants of a procession which was taken out here at Reagal Chowk against the arrival of former Governor of NWFP [North-West Frontier Province] and sitting MNA [Member of National Assembly] Gen (Retd) Fazle Haq in Lahore on Friday.

Moulana Kazmi disclosed that they had proof of the involvement of Gen Fazle Haq in the murder of Shaheed Allama Arif Al Hussaini.

He strongly condemned the Punjab Chief Minister Mian Nawaz Sharif and alleged that the Punjab Government wanted to sabotage the Allama's murder case as Fazle Haq was a Muslim League leader and supported the PML [Pakistan Muslim League] Frontier province he added.

Maulana Mashood demanded that Gen Haq's bail be cancelled immediately. He warned the Government not to undermine the murder case of Allama Arif Al Hussaini he added, conspiracies against the leaders of the TNFJ would be handled with cunningness.

Earlier, the workers of TNFJ in form of a procession also raised slogans against Fazle Haq and the Punjab Government.—PPI

Northern Areas To Be Given Provincial Status

46000063B Islamabad THE MUSLIM
in English 4 Nov 89 p 8

[Text] Lahore, Nov. 3: The Adviser to the Ministry of Kashmir and Northern Affairs Qurban Ali today said the Northern Areas would be given provincial status according to the manifesto of the People's Party.

He was speaking as chief guest at a function held under the aegis of Karakorum Students Union at the University of Engineering and Technology here this evening.

He recalled that the issue of granting provincial status to Northern Areas was the top priority of the previous elected government of Pakistan People's Party. He regretted that the proposed plan was shelved following the dismissal of the late Z.A. Bhutto's government in 1977.

Mr Qurban assured that issue of granting provincial status to Northern Areas was under the active consideration of the present government. In this connection, he said, a constitutional committee had been formed by Prime Minister Benazir Bhutto to determine the status of Northern Areas so that the neglected people living in remotest parts of the country could get due representation in the National Assembly and the Senate.

Mr Qasim Sher Alyat President Karakorum National Movement, Mohammad Afzal, and Taj Mohammad Langa in their speeches urged the government to give provincial status to the Northern Areas.

Mr Nek Alam, President Karakorum Students Union presided.—APP

Jatoi Called 'A Bad Loser' by Tariq

46000063A Islamabad THE MUSLIM
in English 4 Nov 89 p 8

[Text] Lahore, Nov 3: Khawaja Tariq Rahim, Federal Minister for Parliamentary Affairs, has said that Ghulam Mustafa Jatoi, leader of the opposition in the National Assembly has not emerged a 'sportsman but a bad loser'.

He was commenting on the statement of Mr Jatoi that the PPP [Pakistan People's Party] detained 22 members in Prime Minister's chamber at the time of voting on the no-confidence motion. Talking to 'THE MUSLIM', Khawaja Tariq Rahim said, that whatever Mr Jatoi said was after thought. He accepted on the floor of the House the verdict and said "we bow down before the decision of the House".

The Federal Minister said Anwar Aziz, Rais Shabbir, Ghulam Ahmad Maneka and Ahmed Alam and all others were present in the House at the time of voting and no one was removed out of the House.

Khawaja Tariq Rahim remarked that there could be two reasons for his statement, first, they intend to pressurize the President to ask the Prime Minister to seek fresh vote of confidence. Secondly it was an attempt to mobilize street power and bring the matter out of the assembly. He said he was disappointed with the undemocratic attitude from a moderate politician like Ghulam Mustafa Jatoi.

Tariq Rahim said after the defeat of the no-confidence motion, when Mr Jatoi reached Balochistan House the

two Chief Ministers Nawaz Sharif and Akbar Bugti probably persuaded him to make this statement.

Commenting upon the no-confidence motion and the strength of the COP [Combined Opposition Parties], Khawaja Tariq Rahim said the IJI [Islamic Jamhoori Ittehad] original strength was only 60 members while the rest 47 belonged to MQM [Muhajir Qaumi Movement] (14), JUI [Jamiat-i-Ulema-i-Islam] (8), BNA [Baluchistan National Alliance] (2), ANP [Awami National Party] (2), FATA [Federally Administered Tribal Areas] (4), PPP [Pakistan People's Party] (2), JUP [Jamiat-i-Ulema-i-Pakistan] (2), Minorities (4) and Independents (10).

He said the no-confidence motion was a constitutional and democratic right of the opposition but the forces and elements which were backing this motion were neither democratic, nor constitutional. They wanted to finish the PPP government and violate the peoples mandate.

He said the COP is a group of parties with divergent views. They have no consensus over Afghanistan, Islamization and economic issues. One component party was champion of Tahafz-e-Khatem-e-Nabuwat but at the same time they want to come to power with the help of a Quadyanee vote. He said they would have created serious problems if their no-confidence move had succeeded.

Wali Khan Cites 'Rampant Corruption'

46000057B Islamabad THE MUSLIM
in English 13 Nov 89 p 7

[Text] Islamabad, Nov. 12: Khan Abdul Wali Khan member National Assembly (MNA) said that one was surprised to see what would happen to this country.

According to BBC, Wali Khan in an interview in London, said the world saw that those who possess millions of rupees buy members of the other party.

'There is no doubt that the PPP [Pakistan People's Party] has successfully defeated the no-confidence motion, but the methods adopted were astonishing', he added.

Wali Khan was of the view that the problem cannot be settled merely by defeating the no-confidence motion.

We see that the policies of Gen. Zia were not still being followed in the country. For example 11 months have passed when this government came in to power but not even a single law has been framed, he maintained.

The ANP [Awami National Party] chief said that the basic thing was that the Afghan problem had not yet, been resolved and the situation was deteriorating day by day.

There is no peace and stability in Pakistan and corruption is rampant, Wali Khan said.—PPI

Economic Trade With Soviet Union Detailed

46000067C Islamabad *THE MUSLIM* (Special Supplement) in English 7 Nov 89 pp 7, 8

[Text] Soviet Union and Pakistan are traditional business partners. With the establishment of diplomatic relations between our countries, in 1948, the trade relations also began to progress. The inter-governmental trade agreement signed in 1956, is an important event in the progress of Soviet-Pakistan trade and economic relations as well as an essential legal basis of these relations, with further development in barter due to annual bilateral protocols of mutual deliveries.

In the early 60's, the mutual trade and economic relations considerably advanced. The principal cause in this connection was the beginning of economic cooperation between our countries when, on March 4, 1961, the first agreement on cooperation in exploration of oil and gas was signed with a respective soft state credit terms and conditions. Consequently, in the mid-sixties, the trade and economic contacts became part and parcel of the Soviet-Pakistan inter-state relations; and it met the requirements of the basic necessities of Pakistan who, contrary to the opinion of the Western countries, gave first priority to important fields of fuel, heavy industry and infrastructure.

During next years, apart from the above mentioned two agreements, the Soviet Union and Pakistan signed further five agreements pertaining to the economic cooperation in oil and gas, ferrous metallurgy, power generation, broadcasting and fishery. The economic cooperation with Pakistani private companies also progressed. Thus, by the early 70's Soviet organizations participated in design and construction of about 20 various projects in Pakistan.

It was considerably helped by the firm policy of the Zulfikar Ali Bhutto's government to industrialise the country, promote the state sector of economy, and loosen the unilateral attachment with the Western countries.

As a result of the Soviet Union's economic and technical aid, such projects were built in Pakistan as Karachi Steel Mills (annual production of steel = 1.1 million tons), along with a large training centre, Guddu Thermal Power Station (210 MW), 11 radio broadcasting stations of various power, a tractor assembly plant and electric meter assembly plant in Lahore and cotton-spinning mill in Hyderabad. The Soviet organizations carried out great volume of geological survey for oil and gas resulting in discovery of 3 oil and 5 gas fields. A large number of Pakistani specialists got vocational training in Training Centre of Pakistan Steel Mills on construction sites and in the Soviet Union.

Karachi Steel Mills that was completely built and commissioned in the beginning of 1985 and which is the basis of the country's industrial development bears specific importance. Karachi Steel Mills is successfully

attaining its designing capacity, is working profitably; and, having been meeting more than 50 percent of the country's needs in rolled products, promoting the export of the products to other countries.

In accordance with the inter-governmental agreement of December 16, 1983, the organisations of the Sides started construction of the Thermal Power Station Multan-2 in Muzaffargarh (630 MW), which will become during coming years, like Pakistan Steel Mills, the biggest project of our cooperation.

Due to progress of our economic cooperation, the turnover of trade between our countries has considerably and dynamically increased; from 6.7 million dollars in 1960, to 67.7 million U.S. dollars in 1975, and about 200 million U.S. dollars in 1989.

At the same time, it may also be pointed out that the growth rates (volume) of the bilateral trade were not in accordance with the large possibilities of the both countries. Its main reason lies in those unfavourable political relations between Soviet Union and Pakistan which emerged during last ten years due specifically to so-called Afghan issue. At present, the Soviet Union shares only 2.4 percent of Pakistan's exports and 0.6 percent of its imports. However, a number of the commodities pertaining to the Soviet-Pak trade plays an important role in economy of Pakistan, and have an increasing demand in the Soviet Union.

Some 65 percent of the Soviet exports to Pakistan consists of machinery, spare parts and materials for the projects of cooperation, and similarly, comprises tractors, construction equipment, flour-mill equipment and other machinery. Further, Pakistan is supplied with various ready-made goods (tyres, glass, synthetic rubber, board etc.) as well as raw material.

At present, in Pakistan, there are more than 50 thousand of the Soviet tractors, more than seven hundred thousands of Soviet electric meters have been installed and 70 percent of the flour-mills are equipped with Soviet machinery.

Soviet imports from Pakistan consist of cotton cloth, vast variety of gents', ladies and children's garments as well as bed sheets, towels, untanned leather and some other commodities. The Soviet Union shares Pakistan's six percent export of cotton cloth, 13 percent export of ready-made garments, including 50 percent of the total export of gents' shirts, and the seven percent export of towels. Annually, Pakistan delivers 15-18 million gents' shirts to the Soviet Union. Notably, there are real possibilities of considerably enhancing the supply of these commodities.

Apart from the State corporations (WAPDA, Pak Steel, OGDC) the important partner firms of Soviet Union in the private sector are FECTO, Mercury, Tabani, Fateh, Metro, Escorts and others, who are tangibly contributing to promote the Soviet Union's trade and economic

relations with Pakistan. Two joint ventures with Pakistan's private sector were set up during the current year. Establishment of another three joint ventures is in the stage of negotiations. On the basis of mutual interest, the considerably vast possibilities for an active progress of the commercial and economic relations define more clearly the present process of stabilising Soviet-Pakistan political relations. Its solid proof is that the Government of Pakistan requested in 1988 to realise more than 10 new projects, including expansion of Karachi Steel Mills to produce up to three million tons of steel annually, power transmission line-500 KW, fibre-glass factory, Mirani Dam, exploitation of nepheline, phosphate and iron-ore deposits, and others.

At present, an agreed draft of the inter-governmental agreement regarding expansion of Karachi Steel Mills is being finalized. The Soviet side is agreed to provide Pakistan a state credit of 100 million U.S. dollars for 13 years with grace period of three years. The repayment of the credit will be effected as usual by import of consumer goods made in Pakistan. The experts of the sides are examining the questions of cooperation in other fields, including active participation of the private firms of Pakistan. The Pakistani requests on further expansion of Thermal Power Station Multan-2, creation of bilateral inter-governmental commission on economic and scientific technical cooperation are being positively considered. Similarly, the sides have signed the letter of prorogation of validity of the protocol of reciprocal deliveries of commodities for 1989-90. Implementation of new forms of active cooperation, including establishment of joint ventures in Pakistan and Soviet Union, is under consideration.

On the line of chambers of industry and commerce, the contacts between the Soviet and Pakistani commercial circles are being strengthened. In March, this year, according to the agreed upon programme, a delegation of the Soviet Union's Chamber of Industry and Commerce paid a response visit to Pakistan. The delegation participated as observers in the meeting of the representatives of the chambers of industry and commerce of the developing countries—members of Group-77. After the negotiations between the delegations of the chambers of industry and commerce, a protocol with regard to further promotion of business contacts and provision of bilateral trade and economic ties was signed. In September this year the first ever single country exhibition of Pakistani goods was held at Expocentre in Moscow.

Need for Modern Technology Acquisition Noted

46000050C Karachi *MORNING NEWS*
in English 28 Nov 89 p 3

[Text] Lahore, Nov. 27: Mr. Waseem Sajjad, Chairman, Senate, here yesterday stressed the need for acquiring the modern technology to make the country self-sufficient in every sphere of life.

Speaking as chief guest hosted by the Punjab University [PU] Students Union for the new comers in the PU, he

said that the pursuit for modern knowledge of science and technology was essential to improve the socio and economic conditions of the country. He said it was the need of the hour to impart the education of high technology in the Pakistan universities so that challenge of modernisation in all walks of life could be faced.

He said that Punjab University played a key role in transforming the lives of students as national assets, it provided them ample opportunities to bring forth their hidden qualities and talent. He said the universities always provided a sound base to society and it was incumbent upon the Government to pay special attention to universities to improve their education standard and attend to their monetary and educational problems on top priority basis.

Mr. Waseem Sajjad said that on the 108th convocation of the Punjab University held recently, President, Mr. Ghulam Ishaq Khan had pointed out that a meagre amount was being spent in the education sector. This he added, was a point to ponder for nation. He stressed that the Government should accord prime importance to education sector because modern education was prerequisite for development in the field of science and technology.

Mr. Waseem Sajjad advised students to bend all their energies towards acquiring education and avail the educational facilities being provided to them in university. He said that they have to shoulder their responsibilities in the national affairs.

He appreciated the role of the Punjab University and said that during the last 12 years, the educational atmosphere here had remained peaceful and congenial. Elections of the students union were also held in a peaceful manner. He said that students union upheld decent norms of democracy in the university during election. They also helped to continued the academic activities in the university without any interruption, he added.

Mr. Waseem Sajjad said that new student at PU were lucky enough that they got admissions into the university despite high merit. They should now struggle to come up to the expectations of the nation. He said that Punjab University was the pioneer educational institution in the country and students should brighten their future under the guidance of their learned teachers.—APP

Foreign Training for Hi-Tech Experts Urged

46000050B Karachi *MORNING NEWS*
in English 23 Nov 89 p 3

[Text] Islamabad, Nov 22: The Minister of State for Science and Technology, Senator Javed Jabbar, said today that the Government was giving priority to produce requisite manpower in high technology through imparting the specialised foreign training in diverse disciplines.

Addressing a Press conference, he said that a total 744 scientists had been sent abroad for higher qualification and training in different advanced countries four years ago out of which 54 have returned to the country and 38 have been absorbed by employing and reemploying them in various organisations.

Of these, 370 were sent to the United States, 362 to United Kingdom, 10 to Canada and two to Australia. There were 22 fields in which foreign training was being imparted to the scholar, including telecommunications, computer sciences, laser, fibre optics, nuclear sciences, automation and robotics, metallurgy and environmental sciences.

He said the meeting of the hi-tech National Selection Board was held under his chairmanship yesterday in which important decisions were taken to promote the objectives of high technology. It was decided that the process of sending the scientists for higher qualifications and training abroad be continued. He said the next process of selection of scientists would be started from Dec. 1, this year and they would be sent abroad in September 1990.—APP

Crime Control Committee Set Up in Punjab

46000052C Lahore THE PAKISTAN TIMES
in English 5 Dec 89 p 5

[Text] Sargodha—A crime control committee has been constituted at the provincial level to supervise implementation of the 'action plan' to control crime in the province. The Minister for Revenue, Punjab, Mr. Arshad Khan Lodhi, has been nominated as chairman and the following as members:

Mr. Zahid Sarfraz, MNA [Member of National Assembly], Ch. Abdul Ghafoor, MNA, Raja Muhammad Khalid, MPA [Member of Provincial Assembly], Ch. Mehdi Khan, MPA, Chief Secretary, Punjab, Home Secretary, Punjab, Law Secretary, Punjab, Inspector General of Police, Punjab, Inspector General of Prisons, Punjab. One lady MPA/MNA to be appointed by the government and any other member whom the committee may like to coopt. The Additional Secretary (Judicial) Home Department will be secretary of the committee.

The terms of reference include the review of proceedings and performance of district crime control committees and to issue instructions from time to time, to suggest measures for eradication of crime through Law enforcing agencies; and to recommend departmental and other necessary action against district magistrates, superintendents of police and other officials who fail to perform their legal duties.

According to the rules of business laid down for the committee, it will hold meeting at least once in each quarter, the proceedings of the committee will be submitted to the Chief Minister regularly, while the Home Department in collaboration with Inspector General of

Police, Punjab, will be responsible for the implementation of the decisions of the provincial crime control committee.

Population Control Stressed by Senate Committee

46000050A Karachi MORNING NEWS
in English 23 Nov 89 p 3

[Text] Islamabad, Nov 22: The Senate Standing Committee on population Welfare reviewed and discussed here on Monday the high growth rate of population in Pakistan and how it was thwarting the national efforts towards the social and economic development of the country.

The Chairman of the Senate Committee, Senator Lt-Gen. (retd) Saeed Qadir, presided over the meeting held at the Parliament House.

The Federal Minister of State for Population Welfare, Begum Nadir Khan Khakwani, Deputy Chairman of the Senate, Syed Mohammad Fazle Agha, Senators, Mir Hussain Bakhsh Bungulzai, Dr Ishrat Elahi, Prof Khurshid Ahmed, Ghulam Faruque, Maulana Samiul Haq, Malik Mohammad Hayat, Syed Faseih Iqbal and Salim Saifullah, attended the meeting.

Secretary of the Federal Population Welfare Division, Dr M.S. Jilani and Secretary Senate Committees Mr Shahid Iqbal, along with many senior officers of the Population Welfare Division and the National Institute of Population Studies were also present on the occasion.

In his opening remarks, the Chairman of the Committee, Senator Saeed Qadir urged, that since the highgrowth rate of population was putting enormous pressure on the national resources, it was the need of the hour to pursue population planning in the right earnest, on priority basis, otherwise population explosion will tremendously strain our social services and basic utilities.

The Secretary of the Population Welfare Division, stated that the growth rate of population in Pakistan was one of the highest as compared with the rest of the world.

He identified the causes of and dwelt upon the problems caused by rapid population growth, on the literacy rate, housing shortage unemployment, food resources and high mortality rate prevalent amongst the mothers and the infants.

He presented an over view of the plan proposed by the Government to check the rising birth-rate in the country.

The Senate Committee stressed that high growth rate was a national issue which must be tackled as part of a package of our overall development strategy, keeping in view the ideology of the country and the Islamic tenets. It said that if the population programme was pursued in isolation, detached from other factors, it will not be able to achieve positive results.

The Senate Committee, also underlined the need to involve private sector and in the population programme.

The Committee called upon passing a legislation to curb child labour, which is considered as one of the causes of unchecked birth rate.

The Committee also urged upon finding out causes of the failure of population welfare programmes in the past. It constituted a sub-committee, comprising of Senators Ghulam Faruque, Lt-Gen (retd) Saeed Qadir, Prof Khurshid Ahmad and Dr Ishrat Elahi to deal with this matter in detail.—APP

Jeay Sindh Workers Arrested

46000055A Islamabad THE MUSLIM
in English 13 Nov 89 p 7

[Text] Karachi, Nov. 12—Three workers of Jeay Sindh Tehrik offered themselves for arrest in the city on the first day of their "Jail Bharo" Tehrik on Sunday.

All the three presented themselves for arrest near the Sindh Secretariat building Sunday afternoon.

According to Dr. Hamida Khoro, the Jeay Sindh workers would continue to offer their arrest until G. M. Syed is released. She said that at least 50 Jeay Sindh workers offered themselves for arrest all over the province on this first day.

Following the call of Jeay Sindh for "Jail Bharo" the security measures in the province particularly in the Sindh Capital have been beefed up.

Heavy police contingents have encircled the Karachi Central Jail while armed deployment of police personnel is also evident near the Sindh Secretariat, Regal Chowk and other sensitive parts.

The Jeay Sindh activists who had announced to court arrest near the main Regal Chowk earlier, did not turn up till late night. However, their three colleagues courted arrest near the Sindh Secretariat.

Commentary Sees 'Hidden Hands' in Sind Disturbances

BK2212125789 Islamabad Domestic Service
in English 1600 GMT 21 Dec 89

[Umar Latif commentary entitled: "Recent Disturbances in Sind"]

[Text] The minister for communications, Makhdoom Amin Fahim, while expressing deep concern over the violence and lawlessness in Sind, has described it as the instigation of anti-Pakistan elements. Recurring events of shooting and killing rampant in Hyderabad and Karachi have been a cause of grave concern and deep grief for people all over the country, and the entire population has expressed its strongest resentments to these inhuman acts.

Time and again violence has been spreading scare and has extended a pall of gloom all over. The economy of Sind has been slowly affected adversely by its destabilization. It is not in the interest of any section of the society or sector of the national economy. People living for over 4 decades as a part of a single society cannot get divided, pulled apart instantly. Divisiveness and polarization is totally due to the acts of some miscreants who have at their heart no good for anyone. Spilling of blood of innocent people can never be considered an act of bravery. In fact, it is a deed of brutality which deserves outright condemnation. Leaders belonging to all walks of life and all the political parties have without any exception expressed their strongest resentment to repetition of cowardly acts by the hidden hands. No doubt, elements involved in it are enemies of the country, its people, and all the more, democracy which has redawned recently in Pakistan.

Forces who let loose a reign of terror in the main cities of Sind could never be from any political parties functioning in Pakistan. These parties have been there for past many years, playing their defined role. At times, the differences could cause confrontation in the streets, but that tends to be and has always been a temporary phenomena. With cooling off of the sentimental [word indistinct], parties have expressed their regrets and have been back to their normal functions. Political parties would be the last to resort to a sort of destruction and terrorism as witnessed over the past several years. Such an act on their part would make them a totally rejected lot at polls. Knowing this well, no political leadership or party would venture to the extent of committing suicide.

To be realistic on the issue, political parties play a role of ultimate strengthening of the society on basis of tolerance and accommodation. Brutality would be a word and act unknown in the political dictionary and deeds. This being a clear concept, bloodletting being engineered in Sind has certainly been an act of those who have [word indistinct] elsewhere and not with the people and land of Pakistan. All the forces loyal to Pakistan and its people have therefore a responsibility to share, which must prompt them to join hands in proper identification of the miscreants for an immediate eradication of the evil in the society.

Living in Pakistan has been based on sterling values of unity, faith and discipline. By adopting these golden principles and practice, Muslims of the [Indian] subcontinent could win their independence from strong joint forces of a dominant majority of Hindus supported by partial alien rulers from England. Enemies now hiding within would not be able to face the force of unity rekindled with faith and consolidated by discipline.

It has been a long time that peace in a key province of Sind remains disturbed. Due to this, millions of people have suffered so heavily that its description falls beyond words. Tolerance shown for so long has been felt by the ugly forces engaged in brutality as weakness of the government and the people of Pakistan. This fact needs

to be recognized. Once it is realized, there cannot be a leniency in breaking up of the evil forces which have snatched away the peace, tranquillity, and means of livelihood of the millions. Enemies of Pakistan cannot have a place to live and stay here, entrenched in destruction of the country. Their success to create a wedge among the people will be short-lived. People are destined

for calm shores of peace and follow-up economic activity, receiving rich support in the atmosphere of democracy once they could identify their internal enemies and destroy them without making room for mercy to such mercenaries. It is time and need of the hour to bury political differences in this context and crack down upon the enemies of Pakistan and its posterity.