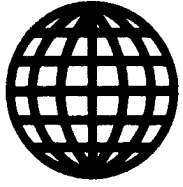


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New Unofficial Federation Formed in ArSSR

46050038a Beirut AZTAG in Armenian 18 Jul 89 p 2

[Text] As a result of meetings held to form a pannational unified movement, a new united front, independent of the Armenian Pannational Movement, has been formed [in Soviet Armenia]. The front issued its first communique in mid-June.

Below is the text of the communique which is signed by 17 nonofficial public associations:

Since February 1988, the Armenian nation has been experiencing one of the most critical periods of its centuries-old history. The situation has remained tense in the last few months. The multitudinous problems that have piled up are being joined by new ones. It is essential to bring together all patriotic forces into a single united front in order to extricate the nation from the current situation and to solve the problems looming in front of our people.

The national awakening has given birth to a number of nonofficial organizations whose purpose is to serve the people's interests.

In view of these facts, we, the organizations whose signatures appear below, found a Council of Nonofficial Organizations to contribute to the unification of all organizations and movements participating in the national movement. The principal task of the Council of Nonofficial Organizations is to ensure free and orderly conditions for the development of the Armenian people. The Council endorses the federative structure and the free expression of ideas and opposes despotism and national discrimination.

All nonofficial organizations which endorse the propositions above can join the Council and contribute to its work within the bounds of their means.

[Signed] Grigor Guyumchyan for the Popular Front of Armenia; Hamlet Gasparyan for the Association for the Defense of the Armenian Cause; Grand Khachatryan for the "Constitutional Right" Association; Vardan Khuchanyan for the National Democratic Association; Ara Simonyan for the National Pact Association; Frunze Mkrtychyan for the Armenian Homeland Building Association; Nayiri Hunanyan for the Armenian Students' Alliance; Samuel Pokhosyan for the Founding Group of War and Labor Veterans Struggling Against Genocide; Pavel Dallakyan for the "Haykashen" Benevolent Association; Levon Tadeosyan for the Belltower [Zangakatun] Association; Manuel Sargsyan for the Artsakhian Delegation; Mary Jrahatspanyan for the League of Armenian Women; Ruben Setrakyan for the Armenian Pannational Association of Armenians; Grand Karapetyan for the Getashen Compatriotic Association; Igor Muratyan for the "Unification" Organization; Robert Petrosyan for the "Narek" Organization; and Arshak Khazaryan for the National Front.

Anti-Turkish Stance Seen Crucial for 'Pannational Unity'

46050038b Beirut AZTAG in Armenian 8-9 Aug 89

[Article in two installments by K. Belian: "The Future Course of the Popular Movement in Soviet Armenia"]

[8 Aug 89 p 2]

[Excerpts] Having established itself as an unorganized but genuinely popular movement of assertiveness in Armenian national and political life, the Artsakh movement has now entered its organizational phase. The numerous groups that have been formed have finally put their quest for unity on solid ground and appear to be prepared to level their differences and to form the Armenian Pannational Movement [APM] whose mission is to put the people's assertiveness on an organized and purposeful course. This spirit is echoed in the APM's "Proclamation" which set the median of ideological harmony for the diverse groups that constitute the APM. Obviously, until the APM's first congress of delegates is held (expected no later than September of this year), the APM will continue to be run by the leadership that rose to national prominence by riding the wave of the popular demand movement, namely the Karabakh Committee. [passage omitted]

It must first be underscored that regardless of what form the Artsakh movement takes, two factors will play a determining role in its future: The ideological posture of its organization and its leadership.

Beginning with the latter of these factors, it must be pointed out that in the course of the past 2 years the Karabakh Committee and other individuals have proven that they are capable of leading the people. As the initiators of the Artsakh demand movement, the individuals who are the popular leaders today passed the test of tough times and proved that they can lead the demand movement. The pannational solidarity shown for them following their imprisonment assured their rise to the leadership of the APM. However, now that the formation period is over, public speeches and bold postures are not sufficient to enable the same leadership to play an decisive role in the organizational phase. Conditions are different in this phase. There is a diverse set of groups and views which are often intolerant of each other, and an organizational consolidation requires the synthesis of all these groups and views. To bring about that synthesis, the said leadership must demonstrate agility and tactfulness, infinite ideological certitude, stamina and, most importantly, exceptional organizational talents and skills.

As of this writing, it is not possible to predict whether the present leadership of the APM will be able to rise to the requirements of the historical moment. Perhaps it will. Perhaps completely new faces will appear and accomplish this difficult task. We must wait and see.

The situation is different in the ideological arena where clear postures are already evident, and there is grounds to make generalizations on the basis of selected observations. [passage omitted]

Although it has not been stated explicitly, it is implicitly evident that the organizations and associations that have joined the APM will not lose their individual identities, at least in the structural sense. This means that success in maintaining the organizational integrity of the APM depends on the prospects of establishing ideologically unity. What is the outlook on such a prospect?

The timelessness of national political objectives and the indisputability of national values are not enough to give a panna-national character to an organization which has launched a campaign to attain national objectives. Because the organizations that are part of the same national group are differentiated from each other by the way they define their objectives—which has tactical implications—and the strategy they implement to attain those goals. These two characteristics of an organization are determined by the world view of the social group from which the organization draws its support. In other words, regardless of the indisputable merits of the national-political objective (it must be acknowledged that this indisputability is not absolute and is itself often subject to the logic of differences in world views), its definition and the means of attaining it vary from social group to social group. Given that framework, a panna-national organization or movement must first be able to synthesize both the diverse definitions of objectives and, especially, different and often contradictory strategic concepts.

This is the challenge that the Artsakh movement faces now that it has completed its formation. But the problem is not that easy. The proposition to unite around a single national goal and to form the APM faces three principal difficulties:

1. Armenian disunity is a well-known diagnosis of our national character. The mentality that defies even the logical impossibility of forming eight political parties for every three Armenians today finds fertile ground in Soviet Armenia where the number of organizations and associations has been growing rapidly. This phenomenon is understandable if we recall that it is the result of the relaxation of totalitarian repression. It would not be unnatural to expect that these diverse organizations will gradually fuse into larger organizations or one organization. To accomplish that fusion it is essential to create a median of ideology and world view around which all groups will be prepared to unite. But in general it is difficult to determine a posture in the absence of a political culture in a society which is newly exposed to political activity—as is the case in Soviet Armenia. The instinctive drive to oppose the regime carries in its elemental wake entire movements which are trapped into delusions. In view of that fact, one of the most important accomplishments of the APM would be to restrain these extremist postures, in other words to

contribute to the politicization of the atmosphere and to keep the movement within the means of the regime—the only realistic and possible political course. Both the APM program published by the Karabakh Committee [in August 1988] and the “Proclamation” contain encouraging elements in this regard.

[9 Aug 89 p 2]

[Excerpts] [Passage omitted]

2. Any panna-national movement must come to terms with the existing organizational forces in the Armenian reality. The most important of these in Soviet Armenia is the party-state machinery. The government of Soviet Armenia, together with its own logic of operation, its state interests and its dependence on all-union interests, must be a factor to be reckoned with. This must be so particularly if we consider that the Soviet Armenian government is the only authority officially recognized at the all-union level. The fact that the Artsakh movement often has to oppose the government because of the issues it has embraced should not detract from the political consideration that the Soviet Armenian government has an important role to play in the Artsakh movement. Consequently, in this case the APM must operate on the principle of always keeping the government in the orbit of national politics. This principle will serve as the basis of the mutual reformation of the government and the Movement. Any confrontation over these two issues will bring to surface differences over priorities which will imperil the unity of the Movement (the evolution of the Artsakh movement and the regrouping of national forces after May 1988 is instructive in this sense). The turn-about in the political position of S. Arutyunyan's leadership after May 1989 is encouraging from a standpoint of establishing harmonious activity between the APM and the government.

3. Finally, the Diaspora must have an important place in the program and activities of the APM—and not as a group suffering from homesickness or as a source of political venture capital. The Diaspora should play a role as a political organizational group with its political inspirations, interests and means. In that regard, if the APM does not have the practical means to incorporate the Diaspora into itself, it can establish a bridge between the Diaspora and Soviet Armenia on the basis of political struggle (something that the Soviet Armenian government has unfortunately failed to realize so far because of its well-known disposition toward the Armenian Revolutionary Federation). [passage omitted]

If the Diaspora will be considered a political factor, the anti-Turkish campaign, with its forceful and peaceful expressions, must be given high priority. But the founders of the APM—especially the leadership which enjoys popular support, namely the Karabakh Committee—have been trying to water down this issue.

Having established that “there are no permanent enemies,” a considerable segment of the active leadership of the Artsakh movement has, in the name of questionable

political rationality, demanded to set aside the anti-Turkish struggle, declared pan-Turanism history and described anti-Turkish policies as emotional acts. Speaking on behalf of the Karabakh Committee at the 23-26 June sitting of the Armenian Supreme Soviet, Levon Ter Petrosyan declared pan-Turanism dead and said that certain forces wanted to see it resurrected. This is not the place to discuss the falsehoods and self-contradictions of this political mentality, but from the standpoint of creating a pannational movement, the Karabakh Committee goes too far in its characterizations and postures going the prospects of harmony in the bud. [passage omitted]

The proclamation of a course of strategy for the liberation of Western Armenia based on the denial of the pan-Turanist threat only a year after August 1988 and despite the latest resurgence of pan-Turanism in the Transcaucasus as well as Turkey reflects ideological narrow-mindedness more than political nearsightedness and may exact a price on the Armenian nation and its movement of demands. Indeed, even in the planning stages the Karabakh Committee has tried to put its factionalist stamp on a movement which is supposed to have a pannational character.

Because of the unfolding of events and in particular thanks to its bold stance and leadership skills in the demand movement of the past 1 and ½ years, the Karabakh Committee has enjoyed pannational trust. That status places on it the responsibility of creating and leading the APM. But its political-strategic limitations raise questions about the Movement's future steps. The Movement is already in the making, and barring any unexpected disruptions the creation of the APM as an

organization is not unlikely. The questions that arise are with regard to the pannational character of the Movement. Because ignoring the Turkish factor, one of the root causes of the Armenian political destiny, means excluding large segments of the Armenian nation from the Movement. With its political inspirations and struggle, the Diaspora is not in a position to do more than express its solidarity for the Movement if this world view prevails. The Soviet Armenian intelligentsia and popular masses will also be naturally alienated from the Movement.

The formulation of a pannational course remains the considerate way out. There are national-political considerations and numerous arguments of Realpolitik to compel the APM to take a broader view and to perceive the genuine existence of pan-Turanism as a clear and present strategic and political threat and as a potent ideological weapon clearing the path for imperialist penetration. More important than any other consideration, the founders of the Pannational Movement must remain firm on the battlefield of the anti-Turkish struggle without downgrading the importance of the other battlefronts to make possible the creation of a pannational movement which will benefit everyone without exception. This must be done so that this golden opportunity to become a united single fist does not fall victim to political preferences and biased views. The founders of the APM have had an obligation to rise to the requirements of the historical moment from the time they took up vanguard positions of popular leadership with a pannational vote of confidence. We hope that the spirit of leaving the door open to dialog and to examine issues openly and with a broad mind will prevail.

REGIONAL AFFAIRS**ACC To Discuss Restructuring Military Industries**

45040458 London AL-SHARQ AL-AWSAT
in Arabic 4 Aug 89 p 5

[Article: "Banks Notified to Stop Opening Credits; Cairo Bans Importation of 279 Commodities in Implementation of Policy of Protecting Egyptian Products"]

[Text] AL-SHARQ AL-AWSAT has learned from informed economic sources in Cairo that the Egyptian Ministry of Foreign Trade has asked the Egyptian Central Bank to notify banks operating in Egypt not to open import credits for 279 commodities in view of the imminent issuance of a decree banning the importation of these commodities. The sources said that these measures fall within the framework of the preparatory steps leading to issuance of the import-export decree and a list of the banned imports.

The sources stressed that the objective behind refraining from announcing the banned commodities in advance is to protect the domestic market from any bottlenecks that may be created by importers who control the banned imports and who may withhold them from the market. The objective is also to give Egyptian products similar to the banned imports the opportunity to cover the domestic market.

The list includes 65 commodities for which the banks have not provided credit since last March. The banned imports include foodstuffs, industrial materials, production requirements, and chemicals.

At the same time, the sources have affirmed that the Egyptian minister of economy will sign the new list in the next 2 weeks with the purpose of encouraging exporters and importers to operate within the bounds of the investment law and of the import-export decree.

Industrialization Authority

At another level, AL-SHARQ AL-AWSAT has learned that consultations are currently underway among the ACC [Arab Cooperation Council] states on holding a joint meeting of the military industrialization and war production ministers in the four countries, namely Egypt, Jordan, Iraq and North Yemen, to discuss steps to coordinate the military industries of the council states and to make use of Egypt's and Iraq's experiences in this area.

The sources have asserted that the council's four member states are currently conducting a comprehensive survey of the resources available to them in the area of military industrialization. This is in order to make use of these resources with the possibility of creating a new military industrialization authority for the council's four member states, and for exploiting the already existing

war plants in Egypt and Iraq and the companies controlled by the Arab [Military] Industrialization Organization, currently managed by Egypt.

The sources pointed out that the council's four member states have agreed to give the priority to any member of the council in case this member needs any war or military equipment or any war products turned out by any of the other parties so as to provide all the requirements needed by the four states and to enhance and develop the war industries in the member states.

At the same time, informed Egyptian sources have noted that coordination of the ACC members' war industries will not affect the current position and legal status of the Arab Industrialization Organization as an independent organization which supplies military equipment to the Egyptian armed forces and to all the other Arab countries. The sources also noted that it is likely that the Arab countries which founded the organization will renew their participation in it.

It is worth noting that the Iraqi minister of military industrialization had announced during the military fair organized by Iraq several weeks ago that the ACC states are inclined to coordinate their war and military industries.

In a related development, the Egyptian Government has introduced into the law governing the National War Production Authority an amendment which calls for securing intrinsic financing resources for the authority's plants and companies, instead of foreign borrowing, and which allows the authority to retain its surplus resources and to reinvest them in financing its projects instead of remitting these surpluses to the state budget. This will make it possible to renew the authority's capabilities, expand its projects, and repay the loans acquired by the authority and the interest on these loans.

Ambassador to Saudi Arabia Discusses Major Cooperation Projects

45040469b London AL-HAWADITH
in Arabic 11 Aug 89 p 29

[Article: "Egyptian Ambassador to Saudi Arabia Tells AL-HAWADITH: First Comprehensive Agreement Between Riyadh and Cairo; Highway to Link Two Countries via Gulf of 'Aqabah"]

[Excerpts] Sayyid Qasim al-Misri, Egypt's ambassador to the Kingdom of Saudi Arabia, has characterized to AL-HAWADITH the explosions staged in venerable Mecca during the pilgrimage season as acts of terrorism and aggression against a peaceful sanctuary in a holy month, and as acts aimed at God's guests, which makes them acts that spread evil in the world. The perpetrators and planners of these acts deserve the legitimate Islamic penalty of death. God, may He be praised, says: "And who is more unjust than he who forbids that in places for the worship of God, God's name should be celebrated?"

[passage omitted] On the subject of the joint Egyptian-Saudi Ministerial Committee, the ambassador said:

This committee will meet in Cairo in the second week of next September under the chairmanship of Prince Sa'ud al-Faysal and Dr 'Ismat 'Abd-al-Majid, the two countries' foreign ministers. The higher committee is one of the beneficial fruits of the visit of the custodian of the two holy mosques last March. The ambassador noted that a preparatory committee consisting of the undersecretaries of the ministries included in the higher committee will meet in Riyadh from 22 to 23 August 1989 to make arrangements for the higher committee. Ambassador Ma'mun al-Kurdi, the head of the economic and cultural section of the Saudi Foreign Ministry, has been selected to head the Saudi side and Ambassador Sami Haybah to head the Egyptian side. This committee works to arrange and prepare the projects submitted by the two countries' ministries, each ministry in its own field, to be presented to the Higher Ministerial Committee, especially since this committee's first meeting requires special arrangements because it is the meeting which will lay firm foundations for the committee in the future phases.

As to the most important projects presented to the higher committee, the ambassador said that an economic, trade, technical, and investment cooperation agreement will be concluded to allow the movement of persons, capital and goods between the two countries. He said that in accordance with this agreement, customs fees on goods moving between the two countries will be eliminated gradually, beginning with agricultural goods, livestock, and foodstuffs. Within the framework of this agreement, another agreement will be concluded to guarantee investments and capital invested in the two countries, and to facilitate the remittance of profits made from investment. This is especially important since the Egyptian unified investment law offers big benefits to investors generally, keeping in mind that in recent years the Arab investments have risen from 26 percent to 76 percent the total Saudi investments in the Arab area [as published].

He characterized the agreement as the first between the two countries, saying that there has been no agreement regulating the two countries' relations with an automatic mechanism and an organized wish to develop and expand these relations with the approval of the two countries' economy ministers. It is well known that the current trade exchange has amounted to more than \$600 million. What is required is to increase this volume through agreement on some customs exemptions, regulating the transit trade, joint facilities to encourage trade between the two countries, agreement on mutual contracts and deals, and establishing joint financial and supply companies. This would be done with the aim of contributing to building a base of industrial, agricultural, and tourism cooperation by way of the new cities. Egypt has drafted a long-term plan to build these cities in the Sinai and Isma'iliyah areas, and on the Red Sea and Mediterranean coastline.

The Egyptian ambassador has also noted the joint economic role the two countries will play in their capacity as two states which enjoy economic and cultural influence in the Arab, regional, and international arenas. This role will open new horizons for broader Arab cooperation that includes the three blocs in the Arab area, namely the GCC, the ACC [Arab Cooperation Council] and the Arab Maghreb Council, thus forming a new Arab power which can deal with the international economic superpowers, such as the EEC, the Asian market, and the American market. In the area of transport and communications, the two sides will exchange the facilities needed for the passage of trucks and public passenger vehicles with their loads, passengers, drivers, and assistant drivers, in accordance with the agreement in effect in both countries. Both countries' border authorities will issue 3-month residence permits for private vehicles.

The second project presented to the committee is a project for building a highway that links the kingdom to Egypt by way of a series of bridges and tunnels that penetrate the Gulf of 'Aqabah, in addition to linking the two countries' Red Sea ports through "ferries" to facilitate the movement of citizens and trade.

Husayn Mansuri, the Saudi minister of transport, will visit Egypt next week to discuss these matters of transport and communication with Sulayman Mutawalli, his Egyptian counterpart.

Active studies are currently underway to prepare for this vital project. There are two proposals for the purpose: The first begins at Qasabah point on the Saudi borders, stretches to Tiran Island through the Tiran Straight and then moves to al-Dakhilah where the land bridge will connect with the Egyptian coastline. The bridge built as part of this highway will be 4.5 kilometers long. This study also offers the option of letting the bridge pass through islands in the sea in a manner similar to the King Fahd Bridge between Saudi Arabia and Bahrain because it is easy to fill large areas to build this bridge.

The second study proposes a 10.5-kilometer long bridge, which is the shortest distance between the two coastlines of the Gulf of 'Aqabah, to link the Shaykh Humayd area in Saudi Arabia with Nabaq in the Sinai. This area abounds with coral reefs and has only 6 kilometers of navigable water which can be filled.

The two countries' transport ministers will also discuss projects to operate regular truck and bus trips.

Libya Bans Egyptian-Equivalent Imports

45000002 Cairo AL-AHALI in Arabic 20 Sep 89 p 1

[Text] Colonel Mu'ammar al-Qadhafi has decided to ban the import of any foreign goods for which there exists an Egyptian equivalent and to exempt the customs fee for all goods imported from Egypt or exported to Egypt from Libya.

This was stated by members of the Libyan trade delegation which is now visiting Cairo. The delegation has contracted for the import of carpets, clothes, textiles, and drilling pumps, most of them from Madinat al-'Ashir min Ramadan.

1988 Arab Strategic Report

45040482 London AL-HAWADITH
in Arabic 18 Aug 89 pp 32-33

[Article by Usamah 'Ajjaj: "1988 Saw Radicalism Receding and Positiveness Developing in Arab International Policy"]

[Text] For the fourth year in succession The Arab Strategic Report was issued, thereby filling a major gap in the Arab library. The need for it is growing every year in view of the observations, analysis, and evaluations it offers on the following three levels:

- The international regional system
- The Arab regional system
- The Arab Republic of Egypt

Although this has been the theoretical basis of the report since it was issued, every year it includes some new studies. For example, the international regional system includes two new sections. These are the Arab economic security in which the report monitors world economic developments, Arab security, and international and Arab food trade, in addition to strategic issues dealing with the future of conventional power, technology, the art of war, and famine in Africa.

In the part concerning the Arab regional system, the second section of it monitors trends of internal developments in the Arab countries under the various types of pressures, including a study of five of these countries, in addition to strategies of the Arab countries in confronting pressures. And in an important study of Arab economic development, the report monitors the economics of water resources in the Arab homeland.

In the part concerning Egypt, taking advantage of the atmosphere of democracy in an astonishing manner, the report monitors the outlawed forces—the Nasirites, the Marxists, and the Muslim Brotherhood—to the extent that it evaluates the movements and stands of Marxists on the basis of their bulletins and statements which, of course, are clandestine publications. This year the report is also distinguished by a special study on political violence in Egypt during the years 1982-88.

In the part concerning official interactions in the Arab system, the report points out that there are signs of such interactions. It describes them as follows: There are signs that deterioration has stabilized. During 1988 the Arabs, the report asserts, were able to control the sources of violence with orderly methods. In other words, it achieved this through resolutions of the institutions of

Arab order, particularly the Arab League, and also through indirect means that had an impact, thanks to the mood prevailing in public opinion in the Arab homeland, in both its popular and official aspects. The degree of control was maintained and, in some cases, expanded. The general level of violence between the Arabs, whether between the Arab countries or inside them, continued to drop for the second year in succession. The most outstanding achievement in 1988 was when Morocco and the Polisario informed the Arab League Secretary General, though with some minor reservations, of their acceptance of the peace plan in the Sahara region. And despite the fact that the civil war in Sudan continued, yet the frequency of military clashes has considerably dropped compared with 1987.

Apart from the traditional sources of violence, such as Lebanon, 1988 was generally characterized by considerable stability and peace. Acts of violence directed against the political and security stability of the Gulf states have clearly diminished and stability prevailed on the traditionally tense borders between North Yemen and South Yemen. The cessation of firing on the major fronts of conflict between Arab countries and the geographically neighboring countries—particularly the Iraq-Iran front, the Libyan-Chadian front, and the Somali-Ethiopian front—has contributed to strengthening the general feeling that the levels of violence in the Arab system have dropped.

The report also points out that the relaxation of rivalries between major Arab parties has helped in halting deterioration in Arab security. This trend continued during 1988, though partially. Perhaps the most outstanding achievement during the year in question was the resumption of diplomatic and political relations between Algeria and Morocco and the rapid strengthening of ties between Libya and Tunisia. Although one cannot talk about reconciliation between Syria and each of Egypt and the PLO, yet the level of hostility has dropped to a great extent. Syria no longer objects to Egypt's return to the Arab League and, meanwhile, the Arab countries continued to restore their diplomatic relations with Egypt.

The report asserts that the Iraqi-Syrian dispute is the only exception to the general trend toward relaxation of rivalries. And given the vital importance of relations between the two countries, the escalation of this situation is an obstacle to completing the general state of relaxation. The report points out that the Arab system has spent a considerable amount of its effort in 1987 to achieve reconciliation between the two countries. Although these efforts for some time appeared on the verge of success after the Syrian and Iraqi presidents participated in the Amman summit in November 1987, yet the rapid developments that followed soon revealed the contradiction between adherence to the rules of reconciliation on one hand and Syria's continued support for Iran in its war with Iraq on the other. There has also been fear of the escalation of conflict between the two countries and its culminating into military clashes,

support for the opposition forces in both countries, or preparation for acts of violence. However, this did not happen in any significant manner or degree.

The receding of Arab radicalism, the report says, was the third characteristic of the feature of Arab interactions.

The report adds: This phenomenon is not really new, particularly since the Arab homeland has for a long time witnessed the receding of radical experiments since the mid-seventies. Al-Sadat's rule was one of the prominent early signs of this phenomenon.

Iraq has witnessed extremely rapid changes, for it has adopted a new method in foreign policy. Despite the fact that wartime economy continued to exist, with the cease-fire it has become evident that there are great possibilities for internal changes, some of which have been announced while others depend on the post-war stage. These, for example, include giving back to the private sector many economic fields and encouraging it to repair what the war has destroyed. Additionally, President Saddam Husayn has already announced leaning toward and recognizing multi-party system. There is no doubt that Iraq is proceeding at an increasing speed toward liberal economy, which would sooner or later lead to recognizing pluralism.

Nor was Algeria distant from the experience of receding Arab radicalism following the October 1988 events which revealed the need for extensive reforms of the economic and political system. The Algerian leadership has shown considerable desire to go along with the call for change. President Chadli Klibi succeeded in taking the initiative when he announced the referendum on amending the constitution. In any case, the political reform program includes the establishment of a constitutional council, strengthening the independence of the judiciary, separating the prerogatives of the state from those of the party, and recognizing the independence of mass organizations while continuing to be committed to the National Charter. In the field of economic reform, the government decided to recognize the importance of economic management of the economic institutions and to encourage greater decentralization, as well as to give greater liberalism to economic management, implement a program of austerity and stability based on reducing the budget deficit, and encouraging the export of non-petroleum commodities.

The report admits that one of the features of Arab interactions in 1988 was the distinguished performance of the Arab system abroad, stressing that many evidences confirm this distinguished performance in the international arena. Some of this success is credited to the foreign policy of certain Arab countries in realizing the Arab interests in general, and some to improvement in certain aspects of joint Arab performance in foreign policy. Four major signs point to such changes in the Arab foreign policy in general and in the pattern of the Arab system's management of its relations with the international system.:

- The fact that the Gulf states' arms purchasing policy has become independent from the United States—after Congress voted against the sale of certain arms to Saudi Arabia and the Gulf states, the Gulf reaction was strong and swift. It was almost a real transformation in the policy of arms purchases, which achieved for the GCC [Gulf Corporation Council] countries a great amount of independence from Washington and positively affected vital Arab defense and political interests. It is worth mentioning here the Chinese missile deal with Saudi Arabia that was a surprise to U.S. intelligence, and the 20th century deal between Saudi Arabia and Britain which is valued at \$15-25 billion. This deal has set a political principle, to the effect that the United States cannot continue to ignore Arab interests without severely harming its own interests. The same things goes for the Kuwaiti arms deal with the Soviet Union. These events prove that the Gulf countries are both desirous and capable of drawing their defense policies independently from the United States, in a rational manner and effective management of Arab foreign relations.
- The positive adjustment to changes in the international system, as was evident in the realization of the Arab Maghreb countries of the need to stand together, was a positive and sound reaction to the threat the total integration of the European EC countries in 1992 would pose to their economic interests. This decision is compatible with the Arab League's decision to resume the Arab-European dialogue and to initiate dialogue with the Soviet Union and the Eastern bloc. Thus 1988 saw the beginning of liberation from the ideology of static and illogical alliances that are disadvantageous to Arab interests.
- The improved Arab management of relations with international organizations. The most distinguished Arab success in the diplomatic field was the success in moving the General Assembly debate to Geneva in order to listen to Yasir 'Arafat's speech. This was not merely a swift and decisive revenge for a hostile attitude, but also an assertion of the independence of the World Organization and a denial of the U.S. claim to the right of veto. Also the Islamic foreign minister's conference in Amman succeeded in adopting Palestinian stands on the eve of George Shultz' tour of the area and in taking a stand toward the Gulf war.
- The improvement in confronting Israel in the media and political fields as a result of the wave of terrorism having generally subsided, and of the improved performance of the Arab media, especially the Arab League's media. Yet the intifadah [Palestinian uprising] remains the principal factor in the effective political and media confrontation with Israel, with the image of the Palestinian having changed from one of capitulation to one of resistance. Also, some credit for the improvement in the political and media confrontation with Israel may be attributed to the method of international negotiations the Arab countries adopted in 1988, particularly the negotiations with George Shultz concerning his initiative. The Arab stand has combined a great ability in responding

to proposed ideas with firmness and unity that takes into consideration a minimum level of common views on Arab interests. Shultz' mission failed, but the Arabs succeeded through the media and on the international level in showing that Israel is the reason behind this failure.

The more than 700-page Strategic Report contains a number of important issues and studies on the international, regional, and Arab level, and on the level of Egypt, such as the important study on violence in Egypt from 1982 to 1988.

PALESTINIAN AFFAIRS

Al-Husayni, Knesset Members Comment on Fatah Resolutions

44040544 Nazareth AL-SINNARAH
in Arabic 11 Aug 89 pp 1, 6

[Interview With Faysal al-Husayni, Number of Knesset Members on 10 August 1989; "Al-Husayni Comments on Fatah Conference Resolutions in Interview With AL-SINNARAH; There Is no Place for Open or Secret Meetings Unless Israeli Policy Is Changed"; first paragraph is AL-SINNARAH introduction; place not given]

[Text] Faysal al-Husayni has stated that the Fatah conference resolutions are a positive step that opens the best horizons for establishing peace. The resolutions support and confirm the resolutions adopted by the latest PNC [Palestine National Council] in Algeria. These resolutions are another link in the chain of good resolutions to which we have become accustomed, according to al-Husayni.

Al-Husayni made this statement in an exclusive interview AL-SINNARAH conducted with him yesterday. Answering a question by AL-SINNARAH on the rejection of Shamir's initiative, al-Husayni said: "It was obvious from the beginning that Shamir's plan contains nothing positive other than the word 'elections.' As for the conditions, they are all improper and are rejected. The plan as projected by Shamir is absolutely unacceptable. The PLO tried to respond positively and responsibly and addressed, through the United States, a number of questions and queries to inquire about and to probe the Israeli Government's intentions and objectives. It seems that Israel has not answered these questions. Therefore, the Israelis are the side that has put the plan in the circle of the rejected." Regarding meetings between Shamir and national Palestinian notables from the occupied territories in the wake of Fatah's resolutions, al-Husayni said: "No meetings, especially secret meetings, should be held with Israeli officials because they are futile. But if the Israelis' position changes, then we will take a different stance. This decision is not strategic but a tactical decision that changes according to the political developments, especially on the other side. As long as the circumstance remains unchanged, meetings are unacceptable. As for meetings with Israeli peace

loving figures, such meetings continue and have no connection with any specific plan or event."

Regarding Fatah's resolution to form a committee to counter immigration to Israel, al-Husayni said: "This resolution is one form of the political efforts that try to make the true situation known. Our battle is not with the Jews but with the attempt to perpetuate the occupation. One must remember that most of the current Jewish immigration is for the purpose of settlement. We must explain this."

Regarding the notables from the occupied territories who have been included in Fatah's Central Committee, al-Husayni said: "I know nothing about this matter. I don't, of course, know who these notables are and I don't think anybody outside Fatah leadership knows the names."

Eli'av: Unhappy

Knesset Member Luba Eli'av from the (Bloc) and one of the first Israelis to meet with PLO representatives has told AL-SINNARAH that he is "unhappy" with Fatah's resolutions.

Eli'av added: "I believe that resolutions 242 and 338, the recognition of Israel, and the renunciation of terrorism should have been noted explicitly. Had this been done, I would not have viewed the resolutions as resolutions which undermine Israel's peace camp."

Eli'av also said: "It is regrettable that the resolutions do not explicitly include what Yasir 'Arafat himself announced in Geneva and on several other occasions. Fatah's resolutions will be a stick in the hands of the Israeli right with which to strike the left and the peace forces. We must remember that the key to solving the issue is in Israel, not in any other place."

Concluding, Eli'av said: "I hope that 'Arafat will entrench the principles he declared in Geneva. I am aware of Fatah's figures and dynamic nature. But the emphasis should have been put on the statements made by the organization chairman."

Bassam al-Shak'ah, the dismissed mayor of Nabulus, has told AL-SINNARAH that he has not yet heard the full text of the resolutions and that there are numerous points that are unclear. However, al-Shak'ah added that he does not believe that changes have been made inside Fatah.

Sarid: Fatah Has Kept Doors Open

In an interview with AL-SINNARAH, Knesset Member Yossi Sarid has said: "The Fatah conference resolutions do not fundamentally change the situation, positions and options existing prior to the conference. It can be said that 'Arafat has somewhat stiffened his internal position in comparison with the position he had declared abroad."

Sarid added: "Fatah conference came in the wake of the Likud conference and tried to put some hoops around the peace process. But neither Fatah's nor the Likud's hoops will be any use because the region's peace process is stronger than all hoops and it will be strengthened more and more."

Al-Mi'ari: What Is New Is That Conference Elects 'Arafat

Knesset Member Muhammad Mi'ari has said: "The resolutions adopted by Fatah are compatible with the demand for a just solution, with the Palestinian peace plan and with the PNC resolutions. They also reinforce the organization between Fatah and the Palestinian homeland. The resolutions also confirm that the Palestinian side is not begging a solution at any cost, and that its political struggle does not nullify the other options—in case Israel and the United States persist in their intransigence and in ignoring the hand extended for a just peace."

Mi'ari added: "The injection of new blood into the Executive Committee and the election of 'Arafat as executive committee chairman by the conference itself and not by the Executive Committee alone, as was the case in the past, bolsters Abu 'Ammar's status and position as the figure leading Fatah and the Palestinian action in its entirety."

ALGERIA

Newly Established PRA Advertises for Members

*45190135b Algiers ALGERIE-ACTUALITE
in French 3-9 Aug 89 p 14*

[Communique published as advertisement by the provisional committee for the Algerian Renewal Party [PRA], signed by Nour-Eddine Boukrouh]

[Text] Twenty-seven years after the reconquest of national sovereignty, Algeria is finally entering the age of multiparty democracy. But party pluralism is not an end in itself, nor is democracy a guarantee that Algerians' vexing problems will be solved. Pluralism and democracy are means, not to accentuate the divisiveness and apathy of Algerian society for electoral ends, but to diversify and increase the ways—and opportunities—for Algerians to come to terms with themselves, each other, and their institutions. Solidarity and advancement, both moral and material, should be the end, democracy the means.

Though the idea of "opposition" as a principle of countervailing moderation may be the most seductive aspect of the multiparty system, the political field of the future must not become a rat race where cultural differences, economic antagonisms, and personal ambitions are sharpened and exacerbated. Neither should it be a pale and mediocre reproduction of political games and currents existing elsewhere. Algerian political formations

should guard against blindly adopting the Western political ideas that have grown up in the East or West [as published].

Before evaluating programs and political groupings, citizens, must first of all, consider what they really mean, the philosophy behind them, the type of society toward which they would lead. Doctrine always comes before programs. And a political program—though eventually embellished in various ways to be attractive and lead its promoters to power—must, first of all, be the reflection of a comprehensive vision, a total understanding, the reflection of a point of view and judgment that should embrace all of the nation's problems and all its interconnections, so it knows what problems to address and how to adapt solutions to conditions.

The doctrine is the idea, the illumination, the vision. When doctrine precedes program, management of data and affairs is facilitated by subordination to a system of meaning and direction. But when there is nothing in view but manipulation of people's hopes by exploiting electoral situations and exigencies, the management of people, land, and Algeria's future is nothing more than mystagogic pragmatism, a series of misadventures of the kind that landed Algeria in its current impasse.

The first task in the age of democracy is to remold the attitudes of the Algerian people, to bring them back to Algerian reality, to an understanding of what they are, what they want, and what is possible for them under current historical conditions.

The Algerian of today, whether poor, middle-class, or rich, is a man dissatisfied with his lot, uncomfortable about his identity, worried about his future, and sick of the degradation the system has inflicted on him since 1962.

The system has not given Algerians running water, adequate housing, an ample supply of basic food products, fundamental freedoms, or lives filled with happiness. It has given them instruction, but not education. It has divided up land among the peasants, only to turn them into "khammas" [a grower who works for one-fifth of the yield] strangling in red tape. It has doled out illusory benefits to the workers, that is, benefits that serve only to make them more vulnerable to inflation. It has sometimes given them useless "treats," like pineapples or bananas, only to deprive them of those luxuries after getting them "hooked" on one more bad habit.

The system promised prosperity but delivered penury. It promised justice but established the "hagra" [translation unknown] and corruption. It promised democracy and established censorship, single candidacies, and political persecution.

Political Principles

Political parties usually grow out of a group of people united by shared affinities and specific objectives. Then those people introduce themselves to the public, whose

hearts they hope to win by convincing the people to identify with them. In general such parties are already structured, their leaders are well-known, and their program is declared right at the start.

Our appeal will take a different approach, by calling on the masses of Algerian men and women right from the start to join in the process of creating the Algerian Renewal Party, to help establish its structure, decide on its leaders, put together its basic by-laws. Thus, the profoundly democratic character of the PRA will be evident from the start.

The PRA proposes to be a nationwide party, anchored in Islamic cultural values and Algerian patriotic traditions but adapted to modern conditions.

In carrying out its program it will respect, defend, and implement the 1989 constitution, with all that implies in the social, economic, cultural, political, and diplomatic domains.

The PRA does not see itself a priori as being either for socialism or against liberalism, but rather opposed to the acknowledged disadvantages of the former and in favor of the proven advantages of the latter, within the overall framework of a pragmatic and exclusively Algerian synthesis, starting with an intellectual perspective arising exclusively out of Algerian realities.

The formulation and realization of such a synthesis is definitely possible: mankind's experience with those two political philosophies, which have had so much impact on the 20th century and will thus probably disappear when it comes to an end, shows that they are already giving way to modalities of governance inspired by new knowledge and a new valuation of humanity, not simply in relation to his space and his needs, but in relation to the biosphere and the purpose of existence.

The PRA should devote itself, first of all, to liquidating the causes and the negative effects of the policy in force since 1962, which has led to widespread apathy among Algerians and a waste of their economic and social potential. Algerians must once more be inspired with confidence in themselves, their national values and their institutions. We must instill the hope that recovery is really possible for them; revive the primacy of obligations over rights in people; get people to understand that obligations are more fundamental than rights; rebuild social values; diffuse and infuse incentive, competitiveness, and individual enthusiasm.

Moved by the spirit of legality and efficiency, and counting on the help of all those men and women who will constitute it in the future, the PRA proposes—through social, economic, and political promoting ability, competence and honesty, and through the example set by its leaders and their strict respect for the law—to undertake a far-reaching renovation of Algeria's social, economic and political realities.

New currents of thought, action, and public policy should be encouraged, starting with reformation and reconceptualization of social, civil, and criminal law, of the educational curriculum, of budgetary, monetary, and fiscal policy. The state, the bureaucracy and public services are in need of moral renovation. Ostentation and frivolous display must be suppressed. The tradition of high officials periodically being besmirched by scandal must be abolished. Freedom of the press must be enshrined as an arbiter over the ethical and public life of the nation. Academic, intellectual, and artistic life must be elevated to greater dignity. Basic and applied research must be supported. National defense must be centered around the modern army.

Healthy societies—those foreign societies that Algerians admire—function on the basis of simple ideas like work, discipline, ability; sick societies on the basis of confusing ideas like militancy, vigilance, egalitarianism...

The good life requires sound government, clear ideas and a rational economy.

Economic Principles

Nationalism at its best means Algeria for the Algerians. The system has turned Algerians into usufructuaries: they must be turned into good utilizers and proprietors. Instead of thinking of ways to support Algerians, as one might support orphans, we should think how to open up new possibilities for them—free enterprise, free creativity, credit...

The system has done everything possible to complicate the Algerian's relationship to money and wealth. He always saw himself as poor, on welfare, a life tenant, but never as well off, independent and propertied. It is time now to decriminalize that relationship, to decomplicate it, to offer all our citizens the same opportunity to live and work in harmony with natural and universal principles, to improve their material lot and distinguish themselves through their ability, achievements, and integrity, while protected by a social ethos, by the law, and by a judicial apparatus that is efficient and equitable, but at the same time rigorous.

If the engine of development today is immensely disordered, wheezing and out of breath, it is because single-party Algeria was ashamed of looking like an agricultural country: the only acceptable sign of progress was break-neck industrialization. As a result, today we have neither a self-sufficient subsistence economy, nor a self-centered development economy, and our external debt is half that of a country like China, so that every Algerian is shouldering as much debt as 500 Chinese, while that country has joined the club of nuclear powers.

The solution, the remedy, the program, consists in lifting to the maximum extent possible all the legislative, juridical, regulatory, bureaucratic, psychological, and other constraints that have fettered Algerians and prevent

them from bringing to bear their knowledge, competence, skills, ingenuity, and enthusiasm in realizing their own potential as individuals and in collectively creating the new Algeria.

The state's economic interventions, monopolies that breed corruption and waste, barren planning exercises, etc., should be kept to an absolute minimum. Between the conventional notions of public and private sector there is room to accommodate thousands of small and medium-sized enterprises owned by individuals, families, and collectives.

Algeria is still lying fallow: Haux-Plateaux is unoccupied, the Sud abandoned, tourist potential unexploited, agricultural land frozen, the environment deteriorating...

The state will have its work cut out for it providing for national defense, external relations, major infrastructure, public education, public health, social welfare, the security of property and persons, protection of the elderly, job placement for the handicapped, a responsive and fair judicial system, and environmental conservation...

With regard to monetary and financial policy—mechanisms the system has royally ignored since 1962, even though they constitute the principal levers of control in developed economies—what is needed is to use the savings of individuals and companies to the greatest possible extent, in the form of new financial and monetary instruments, sufficiently secure and remunerative to reduce the need for inflationary monetary financing and to stimulate healthy, growth-producing investment.

To break the vicious circle of external debt, direct foreign investment—which does not generate debt—should be given preference wherever possible over recourse to international financial markets. Capital participation and joint ventures—particularly when they involve businesses and banks from the Arab or Islamic world or other friendly countries—should be given special encouragement.

Creation of domestic financial markets, reactivation, and expansion of the money market, extension of the banking system to new financing entities specializing in aid to small and medium-sized enterprises, encouragement of employee shareholding, preparation of conditions for an international financing center in Algeria, etc., all represent actions that could promote reorganization of the national economy.

Over the medium term such an economic policy, whose aims and methods need further refinement, will make it possible to double the current ridiculously low minimum wage, generate new jobs in the service, manufacturing, and agricultural sectors, stabilize purchasing power and the comparative value of the dinar, stop monetary creation, draw Algerian capital back from abroad, clear the way to establishing our own convertible currency by the

end of the century, and reduce our economy's external dependence while integrating it more fully with world markets.

The goals of this economic philosophy are to begin weaning ourselves from dependence on hydrocarbon exports, to turn peasants into modern agriculturists, laborers into technicians, heads of public- and private-sector enterprises into confident and audacious managers, and the Algerian people as a whole into a balanced, hard-working, disciplined, motivated, and materially satisfied society. It will be neither a consumerist nor productionist society, but one that strikes a balance in accordance with the nature and orientation of the Muslim Algerian people.

Practical Modalities

None of this constitutes the PRA's detailed and itemized program—that will come later, with the help of many people and all their expertise—but these are the political and economic principles that we offer to the citizenry as a basis for discussion.

Now that we have summarized the vision, philosophy, and aims of the PRA, it is up to everyone who finds them of interest to write to the address indicated below to register their agreement with these ideas or—better still—enrich them, refine them, criticize them.

This is an appeal to everyone: intellectuals, academics, students, teachers, civil servants, members of the liberal professions, white-collar employees, workers, farmers, businessmen, retired persons, etc., as well as emigrants, and anyone regardless of social standing who is interested in Algerian renewal.

We will answer every letter, we will help people living from the same district to get in contact with each other, we will consider every contribution, every enrichment, every proposal, and then we will invite everyone to an organizational congress to be held in October in Algiers, at which time the statutes and structures will be adopted and leaders will be elected. In the meantime, the papers will have been filed and the general public informed of the birth of the PRA.

Most Algerians have become allergic to words such as party, militancy, charter, and assembly... They don't have much faith anymore in the possibility of change, for they see the single party still dominating the life of the nation and doing everything it can to thwart the democratic process.

They should understand, though, that if they are tired of putting up with the system they should find something to replace it and make a commitment. This appeal has not been drafted by old campaigners still looking for opportunities, nor by ex-members of the regime who have been turned out and are looking for vengeance, nor is it just a short-lived whim of idle minds. It is the expression of a deep desire to do everything possible to save Algeria. It is possible to do something, it is possible for one's vote to

influence events, it is possible within 5 years to get change under way, to revoke the single party's right to govern badly, to establish a government that respects the laws, justice, and ability...

Civilized people, people in the developed world, have forged their destiny with their own hands, they have fought, they have overcome their indifference and resignation. Through their faith and commitment they have moved mountains of despotism, injustice, and incompetence.

Together, and working for the renewal of Algeria, we are creating the PRA!

[Signed] For the Provisional Committee:

Mr Nour-Eddine Boukrouh

Civil Servants Housing Development, Bldg. D, No. 42

Ouled Fayet W of Tipaza

Tel: (02) 360681.

Law Against Speculating Passed

*45190135a Algiers EL MOUDJAHID
in French 21 Aug 89 p 7*

[Article: "Law Against Speculating Is Strict"]

[Text] Speculating, though it may not explain everything, is, nevertheless, the major cause of inflation these days in the price of consumer products, especially fruits and vegetables. Regulatory agencies now have a weapon capable of dealing with it: the price law recently approved by the APN [National Popular Assembly] and published in the OFFICIAL JOURNAL on 12 July 1989.

It is useful to consider some of the provisions of that law, which prohibits "concerted practices and actions, agreements and understandings, express or implicit, which tend toward artificially increasing prices for speculative ends." The law bans any abuse of a dominant market position (or dominance of a market segment), refusal to sell without a legitimate reason, and discriminatory sales conditions such as minimum purchase quantities or the obligation to resell at a minimum price imposed by the producer or wholesaler on a merchant.

Sales prices must be publicly posted: the seller must use price labels, post his prices, or display price information in some other way generally accepted in the business.

The indicated price must correspond to the total the customer must pay in order to acquire the merchandise or service.

Invoicing is obligatory; the supplier must provide an invoice, and the purchaser should demand one. Nevertheless, with respect to nondurable goods and services at retail level, no invoice is required unless the customer expressly asks for one.

Hoarding of stocks is prohibited. This practice is defined as the refusal, for speculative ends, to process or put on the market, in the normal way and in timely fashion, any wares kept on the premises or other storage facilities of a commercial outlet, or any other merchandise declared or undeclared.

The price law prohibits selling or offering to sell goods inferior in quantity, weight, capacity or quality to what the buyer can reasonably expect, and the provision or offering of services inferior in coverage or quality to what the customer can reasonably expect for the price.

Omission or falsification of documents, dissimulation, mutilation or destruction of documents, maintaining hidden account books, and false invoicing are all considered fraudulent and punishable practices, as is falsification of proprietary ledgers.

Other practices defined as speculative include failure to provide invoices required by law, failure to itemize them, secret understandings between merchants designed to circumvent price decisions, delivery or acceptance of secret receipts, as well as any other practice intended to conceal or disguise a prohibited operation or misrepresent the actual terms and conditions.

The law permits confiscation in cases where wares are not invoiced or are kept off the market illegally, or where other speculative or illicit practices jeopardize market stability. Merchandise that is the subject of an illegal transaction may be seized without establishing whether or not it is the property of the offender.

Also subject to confiscation are vehicles and any other equipment used to transport or handle goods in violation of the law, except for those belonging to third parties not involved in the criminal activity. The prosecutor's office will be informed of violations and decide whether such vehicles or other equipment involved in the infraction can be replevied.

The law provides that legally established consumer organizations may at their own expense go into court against producers or distributors for any breach of pricing regulations or other commercial practices detrimental to the interests of consumers. They may also bring civil action for damages they may have sustained.

Illegal pricing, which means selling or offering for sale goods or services at a price contrary to or in excess of the regulated price, is punishable by imprisonment for 2 to 6 months, when the illicit profit made or expected to be made is less than or equal to 10,000 dinars; 6 months to 2 years where the illicit profit is between 10,000 and 100,000 dinars; and 2 to 5 years where the illicit profit is greater than 1 million dinars [as published]; and by fines equal to at least double the amount of the illegal profit obtained or expected and at most five times that profit, but in any event no less than 2,000 dinars.

Refusal to sell, discriminatory sales, and sales conditioned on minimum volume or the customer's obligation

to resell at a certain minimum price are punishable by imprisonment of 6 months to 2 years, a fine of 5,000 to 1 million dinars, or both.

Failure to post prices is punishable by a fine of 1,000 to 2,000 dinars; the punishment for failure to invoice equipment sold at the wholesale or semiwholesale level is imprisonment of 2 to 6 months, along with a fine varying between 1,000 and 2,000 dinars. For failure to record commercial transactions a merchant may be fined 5,000 to 20,000 dinars, and his goods may be confiscated.

Hoarding of stocks is punished by imprisonment for 2 months to 5 years and a fine of 1,000 to 50,000 dinars.

Resale of an article reduced to its raw materials with speculative intent is punished by imprisonment of 2 months to 2 years and a fine of 5,000 to 50,000 dinars. The judge may impose either the fine or imprisonment.

EGYPT

Mubarak Seen as Relentless Fighter

45040486a *London AL-TADAMUN in Arabic*
21 Aug 89 pp 23-24

[Article by Ihsan Bakr: "Now That He is President of Africa and Has Returned Egypt to Its Nation, Mubarak Leads 60 Billion Loaf War"]

[Text] Egyptian President Husni Mubarak has returned to Cairo from Addis Ababa after he was unanimously elected president of all of Africa for a full year. And just as the Egyptian-Arab Mubarak succeeded in putting Egypt's foreign policy back on course, thus effecting the Arabs' return to Egypt and Egypt's return to the Arabs, the Egyptian-African Mubarak succeeded in restoring to Egypt its key and pioneering role in the black continent following an absence of over 10 years. For whereas 'Abd-al-Nasir's Cairo was the main and permanent center of all national liberation movements of the sixties in the black continent where liberation and independence battles erupted, Mubarak's Cairo of July 1989 is the center for dealing with all postliberation and postindependence problems and effecting a peaceful solution to all border conflicts and regional and sectarian wars. It is the springboard for the greater mission of grappling with the debt problem that is weighing down on all the countries of the continent.

Prior to July 1989, the president's concerns were Egyptian and Arab simultaneously: political reform, reconstruction, and mending burned bridges.

After July 1989, the president's concerns went beyond the more than 54 million human beings, the total population of Egypt which is growing at a rate of 1 million a year, to include the concerns of the 52 countries that comprise the OAU, nations that are suffering poverty, backwardness, suffocating debts and numerous regional, border, and sectarian conflicts and struggles.

Mission Impossible

The Egyptian-Arab-African Husni Mubarak has a mission too heavy for mountains to bear. It is no exaggeration to say that man is asked to come up with quick, realistic, and objective solutions: first to secure food for 54 million Egyptians and, at the same time, to negotiate on behalf of Egypt and Africa with all the rich and industrial countries, with the IMF and with the World Bank to lift the debt nightmare off his people and all the peoples of his continent who have entrusted him with this momentous responsibility. For most if not all of the African countries are in straitened circumstances and the new president of Africa has to embark on an Arab-African dialogue so that the Arab countries may resume their effective role in Africa to prevent the continent's nations from becoming fertile grounds for unerring Israeli and missionary expansion.

This is an almost impossible mission but such is the man's destiny and Egypt's fate. For whereas 'Abd-al-Nasir's Egypt and the 23 July 1952 revolution single-handedly assumed leadership of the struggle against colonialism and its surrogates, and whereas the Cairo of the sixties became the main and permanent center of all African liberation and struggle movements, (it was from Cairo of the sixties that the tide of liberation took off and the struggle to liberate all the black continent's nations began), Husni Mubarak's Egypt of July 1989 has the responsibility of leading the postindependence stage to end regional struggles and conflicts and to build an Arab-African bridge to lead and grapple with an Israeli racist tide and to find urgent solutions to the debt problem that is breaking the back of the continent's debtor countries.

Mubarak's Cairo of July 1989 is required more than ever before—now that it has regained its leadership role—to act in a new way, in keeping with international detente and universal revision of theories and policies.

Egypt these days is fighting a fierce and vicious war to secure food for its people. Egypt today is at the mercy of the IMF and the World Bank.

Bread Expenses

The case with Egypt is that it spends \$1.300 billion on bread alone, not to mention the money it spends on tea cups, sugar cubes, oil, and cooperative chicken. Its problem is that it imports, at every daybreak, \$10 million worth of food.

Egypt may be the only country in the world to subsidize, directly or indirectly, food and nonfood commodities and services at an annual cost of 8 billion Egyptian pounds; last year subsidies amounted to \$10 billion. At least 50 percent of the subsidy, by everyone's admission, goes to people who do not need it. Stopping these subsidies would lead to disastrous consequences!

Egypt's ordeal is that it can no longer provide for its daily bread. It has become captive to whatever loans and

grants America and Europe bestows upon it, turning its present and coming generations into debtors obligated to pay close to \$50 billion in loans and loan interests.

Egypt, that used to be the breadbasket of the world, is now eating imported bread. What a nightmare for Egypt's president to have to provide every morning 3 loaves of bread each for 54 million people. Egypt imports 80 percent of its food, drink, and clothing, and President Mubarak himself is lamenting: "By God, how can I pay \$15 million or \$16 million in interest for a \$5 million loan. Is this not a sin?"

This may explain Mubarak's shuttle trips to the financial capitals of the world to ask for easy-term loans to finance huge projects and to ask friendly and semi-friendly countries to stand by Egypt until it gets back on its feet.

Negotiations with the IMF are ongoing. The IMF is trying to impose its own terms, and the caretaker of Egypt and its people is fighting his battle—but he will never give up his decisionmaking authority.

But even if negotiations with the IMF were successful, we may obtain \$800 million or \$1 billion, but what will "Egypt do next year or the year after?"

A solution must be found, a radical solution. The only course we have is to produce more and work more. The president became hoarse asking for hard work, higher production, and birth control, or else Egypt would starve (God forbid).

The man is fighting his battle with frightful self-sacrifice. He is tireless and unwavering. Men around him are being overcome by exhaustion and overexertion. His prime minister's heart could not withstand the 16-hour work-days, thus he had to go to America for medical treatment. But the self-sacrificing man is fighting his battle: he is the raiser of hopes, shouting in the wilderness tirelessly. He rises early every morning and starts on a grueling work schedule. But the man is asking for political participation.

Parties' Role

Yes, there are parties in Egypt. Egypt also has unions and organizations with loud voices and little action. The ruling party has turned soft, only saying what the president says and refraining from doing anything or going to the masses. Were it not for the president's unexpected field tours of the working place, the Egyptian people would not know that a majority party is in power.

The opposition parties are in another world. The liberal Wafd Party is concerned only in attacking Jamal 'Abd-al-Nasir. Although 'Abd-al-Nasir joined his creator 19 years ago, the Wafd Party is still waging a war against him and everything associated with him. It fought 'Abd-al-Nasir for the High Dam, and when the drought came and the High Dam saved Egypt from thirst, the Wafd Party closed the High Dam file to embark on its campaign against public sector companies, for the purpose of

liquidating and selling them. But who dares to liquidate the public sector, the backbone of the poor and the disadvantaged? Let the Wafd's campaign, therefore, be directed against 'Abd-al-Nasir's suppression and prisons.

The religious parties have been satisfied with raising the "Islam is the Solution" banner but have not offered the people a practical program of how to reach a solution. The Egyptian people are a believing Christian and Muslim people but they wonder how a solution can be achieved. There is no answer!

The Labor Party has lost its identity. It is neither a socialist labor party nor an Islamic party, but rather a fragmented one. As for the other parties, they are nothing but decor.

The Liberal Party exists only on the pages of its opposition newspaper that publishes anything and everything. But where is the party's public? It does not have a public. Even the party leader himself is not known to anyone. Is he a free officer, is he an open-policy man, or is he a member of the new Islamic tendency? He went to Israel and returned to renounce the peace process. It attacked the Arabs, then went back to the Arabs. It is a party that lacks all the ingredients of a true party.

As for the other party, the Ummah Party, no one knows who its leader is or who its members are. It is merely decor.

And then there is the Grouping Party. This party lacks popular support but is comfortable with itself and its convictions.

President Mubarak is left all alone, without exaggeration, to lead his battle, his people's battle, shored up only by the fact that he is a man who has dedicated himself to Egypt and its people.

He is a true raiser of hope in a desolate desert. He has a team that works night and day and a team of self-proclaimed ministers whose only concern is to repeat everything the president says. Even their ministries' projects, policies and plans are attributed to the president. The president is a man of industry, agriculture, economy, irrigation, and construction. The president does not want this role and he has vested his cabinet members with all the power they need to do their work. But the mentality is still in need of a severe shake.

Egypt is grappling with the crisis and the president, the raiser of hope, has many worries. But the man who stood up to Israel's haughtiness and arrogance until he liberated all Egyptian territory, the man who regained the Egyptian free will and restored to Egypt its Arab countenance and put its foreign policy on course, the man who does not get tired of saying repeatedly that he will never turn away from democracy, freedom of speech, and his demand for seriousness.

The man who has travelled abroad the most, asking for help and support and trying to put in order the economic mess he inherited, the president who turns to friends and

semi-friends for help, this man and his people are wondering why the Arabs have not come to Egypt's aid? We will not say anything more about this case. The Arab brothers know everything about Egypt and its concerns. The Egyptian concern is definitely an Arab concern and the day Egypt is able to solve its problems all the Arab problems will disappear.

Egypt is really wondering why the brothers have not come to its aid to help it get out of its predicament?

First and foremost, the solution to Egypt's problem must be of and by the Egyptian people. But it must also be of and by the Arabs, because this is the way cooperation and unity ought to be, through thick and thin. For all what Egypt has given, it is high time that the brothers meet some of their responsibilities toward Egypt.

With all these responsibilities and all these concerns, the ordinary Egyptian citizen feels that he will get over this crisis so long as Husni Mubarak, the raiser of hope, remains the loyal son and the faithful leader who will inevitably lead his country and his people to safety.

Military Negotiates for British Submarines

45040486c London AL-DUSTUR in Arabic
21 Aug 89 p 5

[Text] Egyptian military circles are negotiating with the British defense ministry for the acquisition of eight "Oberon" class submarines after British military plants introduce modifications and improvements to enhance their combat activity.

If an official agreement is reached, the Egyptian navy will become the strongest and most important navy of the Arab region.

Informed sources say that Egypt would like to replace the ten outmoded "Romeo" class submarines it received from the Soviet Union and China in the sixties and seventies. The same sources expect the deal to cost between \$260 and \$300 million.

Efforts To Determine Debt Ceiling Reported

45040471a London AL-MAJALLAH
in Arabic 15 Aug 89 p 39

[Report from AL-MAJALLAH's Cairo Bureau: "No One in Egypt Knows How Large the Debt Is. The Consensus Is That It Is Huge"]

[Text] International reports confirm that Egypt is one of the 10 largest debtor nations of the world. Its debts amount to about 40 percent of Brazil's, the most indebted country in the world. Egyptian indebtedness soared last year to about ten times what it was in 1974. But what is the actual size of Egypt's debt?

Precise figures are so lacking that Dr 'Atif Sidki, the Egyptian prime minister, ordered the creation of a debt department at the central bank which controls the

banking system in Egypt. The new department is charged with devising a three-year plan (1988-1990) to put in place a comprehensive data base, propose ways for rationalizing and redistributing debts, and distribute subsidies in a manner that would assure the highest degree of investment.

Statements by Egyptian minister of the economy Dr Yusri Mustafa assert that Egypt has external debts of \$33 billion. But the Middle East News Agency quoted a Radio London broadcast earlier in the year that aggregate debt climbed to \$45 billion. A report in the ECONOMICIST magazine said Egyptian debts equaled \$38 billion. But Dr. Isma'il Sabri 'Abdallah, former Egyptian minister of the economy, puts civilian debts at \$34 billion, in addition to military debts.

Aggregate indebtedness is yet to be accurately calculated, and so is military indebtedness estimated at between \$12 and \$16 billion. Preliminary estimates agreed by all parties put Egyptian debts at a minimum of \$44 billion. Egypt borrowed some \$18 billion over the past five years alone.

Short, medium, and long-term debt service costs Egypt about \$2 billion annually, according to a central bank report. That amount has been reduced by about 40.6 percent now that Egypt succeeded last July in getting Club of Paris creditors to reschedule part of the debt.

Egyptian Creditors

The list of Egyptian creditors includes countries, world institutions and organizations, financial institutions, and regional banks operating in Egypt. Western European nations, Canada, and Japan are the largest creditor, sharing 36.4 percent of the total debt.

The United States alone accounts for 23.2 percent of aggregate debt and is Egypt's second largest creditor. Arab and Islamic nations rank third with 10.7 percent, followed by countries of the Eastern Bloc with 3.1 percent, then Australia and a group of other nations owed 2.1 percent of total debt. Among creditor international organizations, the World Bank ranks first with 4.5 percent, followed by the International Development Organization of the World Bank with 2.8 percent; the International Monetary Fund, 9 percent; Arab Development Funds, 8.9 percent, banks operating in Egypt, 4 percent; and regional financial institutions, 1 percent.

Egypt received a great deal of attention from a report prepared for the European Council for Economic Information by a group of world-renown economists and political leaders. The report painted a true picture of how Egypt used its loan funds in the period 1982-1987.

Those who supervised and contributed to the report included Bruno Kreisky, former Austrian chancellor; Simone Veil, former president of the European parliament; Jean Lipofski, French minister of state; Leif Gang Seilig [as published], chairman of the German federation of industries; Roger Matthews, economic editor of the

FINANCIAL TIMES, and Paul Bata, head of the Middle East department at the the French newspaper LE MONDE. The report pointed out such completed projects as highway construction, telecommunications, ports, postal services, and express mail.

New roads, 9,400-kilometers long, were built in Upper Egypt. Highways now connect Egypt with the Sudan and tie Red Sea towns with [Suez] Canal towns at a total cost of 577 million Egyptian pounds. Highways were also built to link Egypt with Aqaba and with Africa through the Sudan, Ethiopia, Kenya, Tanzania, Botswana, and Zimbabwe. Another highway connects it with Libya, Tunisia, Algeria, Morocco, and Mauritania at a total cost of 800 million Egyptian pounds.

Domestic railroad service was developed at a cost of 1.3 billion Egyptian pounds. Marine transport services were also developed and new ports constructed at Damietta and al-Dukhaylah. The Suez and Safajah ports were also expanded to increase capacity by 120 percent at a cost of about four billion Egyptian pounds. Telephone service was expanded by 300 percent over the past five years. Telex, facsimile, and mail services were added to 47 new states at a total cost of 4 billion Egyptian pounds.

The European report did not discuss funds borrowed to finance industrial projects, health services, or housing. The ministry of industry estimates that renovation and replacement of industrial machinery cost some 6 billion Egyptian pounds over the past 5 years.

Four billion more Egyptian pounds were expended on sewage works and about 2 billion pounds on housing.

Land reclamation costs over the past 5 years ranged from 2 to 4 billion Egyptian pounds.

Food devours the largest portion of loan and assistance funds received by Egypt whose daily cost of providing basic food commodities is the equivalent of 8 million pounds.

The Bureaucrats and Debt Squandering

Egyptian government figures on debt usage aside, a large portion of the debt provides the Egyptian government with no utility. Certain debt and assistance funds are expended in a manner as yet unknown. There are also huge losses created by administrative bureaucratic fund handling.

The Central Accounting Authority, in a report presently before the Egyptian council of ministers, said that Egypt lost 1.2 billion pounds in loan funds over the past 5 years because of slow-paced measures to put them to work, resulting in huge fines in addition to the inability to use the loan itself.

The Central Accounting Authority revealed that the government uses new domestic and external loans and credits to service older debts, causing increased indebtedness and inability to invest the new loans in development planned by the government.

A large portion of loans and assistance funds is wasted on the following:

- Financing the state's general budget deficit of about 20 percent. The government pays up to 5 billion pounds in annual salaries to employees of various government sectors.
- Wages for foreign experts mandated by the U.S. Agency for International Development for the projects it finances. Such salaries amount to about 25 percent of all assistance received.
- Servicing accumulated debts.

Authority Establishes Company To Service All Planes

*45040471b London AL-MAJALLAH
in Arabic 15 Aug 89 pp 42-43*

[Report from AL-MAJALLAH's Cairo Bureau: "New Company at Cairo Airport to Service All Flights"]

[Text] There is controversy at Cairo International Airport between the proponents and opponents of a proposed new ground services company that would service all flights and would compete with Egypt Air and other self-servicing airlines. Proponents say the proposed company would bring back into the Egyptian national economy a wealth of hard currencies foregone and would improve the standing of Cairo airport in the eyes of international airlines. Opponents believe it would inflict heavy damage and severe losses on Egypt Air.

Fu'ad Sultan, Egyptian minister of tourism and civil aviation, says that Cairo airport serves 52 international airlines of which only 22 receive full ground services from Egypt Air. The others are allowed to provide their own ground services. The number of flights by self-servicing airlines is, therefore, more than double those by airlines serviced by Egypt Air.

This, he explained, causes a heavy financial drain on the national economy, leaving Egypt with a return on capital of only 20 percent. This is the same ratio at which the organization has participated in the company.

A study of means to improve ground services at Egyptian airports by introducing competition has recommended the creation of an airline services company to undertake ground services for self-servicing airlines. This makes it possible to recapture the large returns foregone by the national economy.

Under investment law, the new company will be capitalized 20 percent by Egypt, represented by Egypt air; 20 percent by Cairo International Airport, 20 percent by the Fund for the Development of Aviation Services, 5.8 percent by the Egyptian company Zas, and 5 percent by Bank Misr-Iran. The remaining shares will be distributed to foreign airlines permitted to self-service.

The chairman of Egypt Air agreed to his company's capital share of the new enterprise because of confidence

that it was in Egypt Air's interest. Furthermore, the new concern will open wider horizons for Egyptian workers who would be transferred to it by the founding corporations, since it will absorb large numbers of them. Employees will lose none of the benefits they currently enjoy.

Airport Confusion

Aviator Gen. 'Ali Zaiko [as published], director of the Civil Aviation Authority, says that self-service by a number of foreign regularly scheduled airlines tends to impede traffic and create ground confusion at the airport. The new company was therefore conceived to use approaches and equipment that would constantly develop until we gradually approach the most modern techniques employed at most airports in the world which have a ground service monopoly over all flights. He added that only Egypt Air and the proposed company would be allowed to render ground services, therefore engaging them in competition.

Engineer Najwah Al-A'sar, director general of maintenance at Civil Aviation, says that all airports of the world have companies that service incoming and outgoing flights, providing services that range from maintenance, cleaning, refueling, food services, and baggage handling to the certification of flight documents by airport authorities.

Workers Have a Point of View

Egypt Air pilot Hamdi Al-Taman, undersecretary of the Egyptian parliament's committee on shipping and transport, said: "The parliament discussed this issue last May. Seven delegates requested information and the subject was discussed in committee." He pointed out that Egypt Air has 40 daily flights of which 32 are foreign. All of them require ground services prior to departure.

The new concern will deprive Egypt Air from servicing itself in host countries, therefore inflicting on this national company heavy losses represented in equipment costs valued at millions of dollars.

Furthermore, Egypt Air owns \$60 million worth of equipment at Cairo Airport which would turn into idle capital due to the lack of demand. Meanwhile, the founding airlines of the new concern will not be asked to cover the losses of regularly scheduled airlines.

Flight service fees were therefore set much lower than Egypt Air charges, which would be very profitable for other airlines since services would cost them less. While the [new company's] founding charter guarantees it the right to repatriate profits abroad, Egypt Air would lose the \$45 million it receives for partially servicing other airlines.

Memo From the Syndicate

The General Syndicate for Air Transport Activity wrote prime minister Dr 'Atif Sidki warning against the sale of

public sector units and demanding that he take immediate steps to thwart the new company's threat to the national company.

The memo revealed that flaws and contradictions existed in the contract and the fundamental provisions of the foreign servicing company proposed for the airport, that foreign partners are granted facilities and privileges at the expense of the Egyptian side, and that the ratios of capital participation vary from one item to another. It also pointed out that Egypt Air and Bank Misr Iran share the resources of the national organization in all November activities of ground services companies servicing passengers, luggage, air transport, mail, cleaning the craft, representing the airlines at Egyptian and foreign airports, providing airport storage facilities for goods, passenger reservations, and any other services inside and outside Egypt within the framework of IATA [International Air Transport Association]'s charter.

The contract provides that airlines party to the contract are vested with rights in Egypt should they withdraw from the company. The board of directors may, after the cancellation, notify the canceling party demanding that it sell its share in the company, giving purchase priority to shareholding foreign airlines, each according to its ratio of participation. The withdrawing party has the right to sell its share to a foreign airline with the approval of the board of directors. The contract then goes on to detail the sales procedure.

The contract also provides for the possibility of admitting new shareholders provided the applicant is a foreign airline with regularly scheduled flights to Egypt, and that the company's services are available to any airline that wishes to use them regardless of whether it is a shareholder.

Beginnings of the Storm

The storm surrounding this corporation erupted when it was announced following unanimous approval at the 15 April 1988 session of the board of the General Authority for Investment and Foreign Capital.

A feasibility study limited shares of the new company to self-respecting airlines at Cairo Airport—German, Dutch, Saudi, Kuwaiti, Italian, and Zas.

Egypt Air realizes some \$4 million from partially servicing those airlines.

The company's prepared study puts the cost of servicing a flight at \$1,000, compared with current charges of between \$1,050 and \$2,000 depending on the craft model.

The feasibility study forecasts that Egypt Air would receive up to \$1.8 million for partially servicing shareholding airlines, compared with current returns of \$4 million. In other words, Egypt Air would lose \$3.5 million in income unless it positions its services better.

Unemployment Figure Increases

45040486b London AL-DUSTUR in Arabic
21 Aug 89 p 37

[Text] The work force in Egypt comprises 28 percent of the total population while the unemployed represent 5.2 percent of the work force. A study conducted by the ruling National Democratic Party projected the number of unemployed in 1990 at about 1.1 million persons.

Nasirist Party Denies Paper Publication

45040486d London AL-DUSTUR in Arabic
21 Aug 89 p 3

[Text] A leading official of the Nasirist Arab Socialist Party, under formation in Egypt, paid a recent visit to London and denied any connection between his party and an Egyptian opposition newspaper that resumed publication in the British capital. The same official in a private gathering decried the publication of this newspaper outside Egypt.

New Resolution Changes Customs Tariffs

45040469a London AL-HAWADITH
in Arabic 11 Aug 89 pp 40-41

[Article by Mahmud Salim: "Egypt's Economic Reform Knocks on Door of Customs Tariffs; Collection of Customs Tariffs Begun at Realistic Dollar Exchange Rate"]

[Text] Last Friday, 21 July, the office of the Egyptian minister of finance was very much like a beehive. The minister and his aides were in constant motion. Meetings lasted throughout Friday night and until Saturday morning—an official holiday for the ministry and for its various authorities and agencies.

The meetings were held in total secrecy because the decree which was planned to be adopted dictated secrecy. The decree calls for amending the tariff rates for imported goods. It also calls for adjusting the dollar exchange rate on whose basis the customs tariff is computed. This is known as the "customs dollar."

Everybody was in a state of "emergency," including Minister Dr Muhammad al-Razzaz; Mahmud 'Ali, the minister's adviser for customs affairs; Fathi Salamah, chairman of the Customs Agency; and many of the agency officials from the various Egyptian ports and airports. Ceaseless meetings were held on the days prior to Friday and most of those meetings lasted until a late hour of the night.

AL-HAWADITH was there, observing the developments and decrees issued, which are economic decrees of significant dimensions.

On Thursday, 20 July, President Husni Mubarak convened with Prime Minister Dr 'Atif Sidqi and Finance Minister Dr Hasan al-Razzaz at a meeting to discuss the decree in its final form. Any decree concerning the customs tariff can be issued only with the signature of

the president of the republic. Such decrees, unlike any other economic decrees, are not submitted to the People's Assembly in advance. Customs decrees have their special nature and are submitted to the People's Assembly only after they are issued.

The following day, i.e. Friday, was the date scheduled to issue the decree which was to go into force the next day, Saturday.

At the finance minister's office, AL-HAWADITH interviewed Dr Muhammad al-Razzaz and asked him: "Why this decision, what does it entail and what are its consequences?"

Dr al-Razzaz said that the previous customs tariff was enacted in 1986. Practical application in the past 3 years has demonstrated the presence of some shortcomings. Some contradictions have also surfaced and practical solutions have had to be found for them. This is why the Higher Customs Tariff Council began to examine the problems and the proposed solutions. As a result, we have introduced these amendments.

The amendments call for raising the dollar exchange rate, on whose basis customs tariffs are computed, from 189 piasters per dollar to a rate set almost daily by the free foreign exchange banking market. On the day the decree was issued, this rate was 257 piasters per dollar, i.e. the exchange rate was increased by nearly 30 percent. This means an increase in the customs tariff on imported goods and, consequently, an increase in the price of these goods. Therefore, the increases have had to be countered by reducing the customs fees on the imported goods by the same percentage, or by a slightly higher percentage so as to avoid higher commodity prices.

The minister added: It has also been decided to reduce the tax on imported goods by nearly 35 percent.

The new amendments call specifically for reducing customs fees on imports as follows:

- The one-percent customs tariff charged for certain imports will be reduced to 0.7 percent. Most of these imports are foodstuffs which represent 20 percent of the foreign imports volume.
- The five-percent fee charged for some commodities will be reduced to 3.5 percent. These imports include production requirements and raw materials which represent 28 percent of the imports volume.
- The 10-percent fee charged for some imports will be reduced to seven percent. These goods represent 11 percent of the imports and include other kinds of production requirements and materials.
- The 15-percent fee charged for some imports has been reduced to 10.5 percent.
- The 20-percent fee levied on certain goods has been reduced to 14 percent.
- The customs fees levied on numerous other imports have been reduced from 30 percent to 21 percent, from 50 percent to 35 percent, from 60 percent to 42 percent, from 85 percent to 65 percent, from 110

percent to 80 percent, from 135 percent to 96 percent and from 160 percent to 120 percent.

But the question is: Does raising the "customs dollar" exchange rate from 189 piasters per dollar prior to issuing the decree to 257 piasters per dollar on the day the decree was issued mean raising the prices of imports?

Finance Minister Dr al-Razzaz has denied this, saying: The increased "customs dollar" exchange rate is countered by a reduction in the customs tariffs for imports. He added that the amendments will continue after studies are conducted in light of the economic developments and of the nature of the market.

Another question is: How did these amendments deal with the contradictions which surfaced through implementation of the previous tariff which has been in force since 1986?

The finance minister said: There was unfair competition in some sectors insofar as the Egyptian industry is concerned. For example, the fees levied on some fully-processed imports were lower than fees levied on some imported semiprocessed goods or raw materials. This represents a major contradiction for which a decisive solution had to be found by reducing the fees on the semi-processed imports in order to encourage the national industry on the one hand and to eliminate unfair competition between this industry and the imported goods on the other.

Dr al-Razzaz also said: The new amendments have taken into account encouraging vital sectors which have top priority in the Egyptian economy, led by housing, particularly low-cost and middle-level housing. The customs fee levied on the reinforcement steel imported by the Ministry of Housing has only been reduced from 20 percent to 5 percent.

The amendments have also taken into account reducing the fees on some equipment and machinery used in land reclamation projects. They have also reduced the customs fees on imported drugs, especially drugs used to treat chronic diseases, such as heart and blood-vessel diseases and cancer. The fees on imported baby milk and baby food products have also been reduced. The fees on chemicals used in the drug industry have only been reduced from 20 percent to 5 percent.

The new decree on Egyptian customs tariffs has been expected by most importers and businessmen. Muhammad Ghanim, secretary general of the Egyptian Businessmen's Association, has said that this act is logical. We, as businessmen, have been demanding it for a long time. It is a significant step in economic reform and in dealing with the flaws existing in such a vital sector as the customs sector.

Muhammad Ghanim also said, "It is a sound thing to calculate the customs fees on the basis of the realistic dollar exchange rate set by the foreign exchange banking

market—a rate on whose basis both customs fees and taxes are calculated, thus making all things clear."

Yusri Fayid, the sales manager and member of the Executive Board of the Egyptian Free Markets Company, supports this opinion, saying that dealing with issues realistically is the sound economic path, not only in customs but in the other sectors also.

Yasin Imam, an importer of electrical appliances, has said: The new decrees have solved an important aspect of a problem that preoccupied importers, namely the problem of the difference in the "customs dollar" exchange rate. The customs authorities billed us on the basis of an exchange rate of 189 piasters per dollar whereas the exchange rate in the banking market was 260 piasters, and even higher in the black market.

The various ports and airports began implementing the amendments on the day immediately following issuance of the decrees. At Cairo Airport, for example, returning citizens were surprised by the new decrees and by the increased "customs dollar" exchange rate. They expected the prices of some electrical goods to increase, though slightly. But the expected increase has not materialized because of the reduction in the customs fees charged for such goods.

To conclude, perhaps the most important aspect of the new decree is that it deals with the reality—the reality of the dollar exchange rate versus the Egyptian pound—whether rising or declining, depending on the economic developments.

This dealing with the reality will eliminate many of the accumulated faults that have had an extreme impact on the Egyptian economy, and which "palliatives" have not been able to eliminate.

Chamber of Commerce Report Shows Commodity Price Increases

45000200 Cairo AL-AHALI in Arabic 30 Aug 89 p 1

[Text] The Chamber of Commerce recently issued a report which disclosed price increases fluctuating from 7 percent to 27 percent for a number of staple foodstuffs. Egg prices rose 30 percent [percentage as published] compared to last year and varieties of "investment company" macaroni rose 21 percent over last year's prices. The prices of natural shortening, imported and domestic, rose by an amount which fluctuated between 15 percent and 21 percent. The report showed a decline in the amount of stored sugar given to consumers and a disappearance of regular cooking oil. It also revealed a rise in prices for beverages and jams by an amount which fluctuated between 13 percent to 33 percent.

This report also indicated price hikes for domestic fabrics (48 percent above last year), ready-made clothing (38 percent) and the prerequisites for clothing manufacturing (87 percent).

Financial Difficulties Reported in Main Professional Unions

45040472 Cairo ROSE AL-YUSUF
in Arabic 31 Jul 89 pp 24-27, 68

[Article by 'Abdallah Kamal, Ahmad Rizq, and Usamah Salamah: "Loose Association Funds"]

[Text] Unions throughout the world were created to serve the interests of all their members, but there are those in our country who think unions are supposed to serve only a segment of their members and not all of them.

As certain professional associations, or unions of the educated, amassed substantial funds, they mismanaged these funds that they collect as dues from all members.

Some, when they were able to gain control of an association, withdrew all funds from banks that pay higher interest and redeposited them with banks that pay less interest on the pretext that they are Islamic. As a result, associations lost out on the difference which is substantial.

Some froze association funds into assets that do not provide suitable or reasonable returns sufficient to underwrite the activities of the association and its members.

Still others went farther afield by wasting away funds of the associations they are able to control on projects with attractive names that return deep annual losses.

In short, association funds collected from all members have turned into ownerless "loose money", exploited and mismanaged by some of those charged with managing association activities for successive years.

The final result has been sad.

Some of these associations were so financially dislocated they could not garner enough funds to cover their various activities. Some were even unable to pay members' pensions. So much so that even the Engineers Society, the richest of these associations, may not be able to provide pensions five years from now!

How did this happen? How did association funds turn into ownerless loose money even though they are owned by more than a million association members?

More importantly, why did this happen?

We searched for the answer by questioning the treasurers of a number of professional associations.

Losses in the Name of Islam

We started with the medical association which recently fell under the control of religious elements.

Some 95,000 physicians, including the class of last March, are registered members of this association.

The association's funds are derived from member dues as well as from medical stamp taxes collected from clinics, hospitals, and pharmaceutical companies.

That association's resources amount to 4.6 million pounds of which little remains in the treasury. Most is in bank deposits.

Says association treasurer Dr. 'Abd al-Qadir Hijazi, "Total cash on hand, at the treasury or in bank deposits, is 4.6 million pounds. The money was transferred to Islamic banks because the association does not deal with usurious (!) banks. The funds are deposited with the Faysal Islamic Bank and Bank Misr Al-Husayn for Islamic Transactions. We are not concerned if the bank does not properly "Islamize" the funds because this is something between it and its God.

"We can not participate in investment projects because of the risks involved. We deposit association funds with banks because they will never be abandoned by the central bank and are, in effect, guaranteed. The association depends on increased earnings when funds deposited by members for the purchase of apartments are used as bank deposits. In this respect, the association acts as a housing cooperative."

But that caused complaints from some physicians.

The same thing happened with the health insurance program for members which has about 22,000 subscribing physicians and their families. Despite the increasing number of beneficiaries, the main complaint here is that the fees are not fully utilized because providing doctors and hospitals frequently do not discharge their commitments. Physicians eventually give up on the service and therefore get no return on the fees they paid.

Medical societies are in a class by themselves. Some 75 percent of member dues goes to the Federation of Medical Professions which administers aid and pensions through a special program funded by that percentage of dues as well as by income from the medical stamp tax.

The Federation's assistant treasurer, Dr Safwat Fahmi, says half the association members belong to it because they are the actual dues payers among 135,000 medical professionals, and because the Federation's board is somewhat controlled by a specific trend [as published].

Following a resolution by its general assembly, the Federation's bank accounts were changed from current accounts to Islamic ones. Sometimes the interest accrued to the Federation is three or four percent less than what other banks would pay. Interest received by the Federation from one Islamic bank amounted to only seven percent. Meanwhile, the dental association maintains for its members an installment account with Faysal Islamic Bank which charges 21 percent annually to service the three-year installment plan.

The Federation has assets of 35.188 million pounds including investments of 28.1 million pounds, most of

which is in Islamic investment certificates. The remainder is in Islamic and current bank accounts.

About 3.5 million pounds of association investments are languishing with the Federation of Medical Professions Investment Company and the Federation of Medical Professions Pharmaceutical Company. Both were created years ago and have paid no dividend to the Federation since they are doing badly.

The medical association therefore lost half the interest or returns it used to collect from ordinary banks, and squandered physicians' money in the name of "fighting usury" and denouncing usurious banks.

Frozen Funds

The same thing that happened at the medical association—mismanagement of association funds—happened at the teachers' association but in a different form. Association funds were frozen into fixed assets that do not produce a suitable return.

The teachers' association has some half a million members. It is considered one of the richest professional associations in Egypt because of its varied resources and of its large membership roster. It had revenues of more than 71.5 million pounds, mainly from dues, for the period 1981-88.

The association also collects additional fees of 12 pounds to register a member; 72 pounds for a year's seconding; 50 percent of net of the first regular raise; 2 percent of examination stipends; 5 percent for authoring textbooks; 5 percent of textbook publishing contracts; as well as 0.5 percent of textbook printing contracts.

A retired member must pay it 420 pounds in a lump sum before he can draw his monthly pension. By law, 700 mils of every membership dues go to the main association, 200 mils to the affiliate association, and 300 mils to the association committee. The remainder goes to the aid and pension fund which is heavily burdened according to association undersecretary Fu'ad Hamzah.

The association has investments of more than 8.5 million pounds that bring in a return of 3.5 million pounds. They are with the Bank of Commerce and Development, the National Company for Housing Professional Associations, the Economic Company for Food Development, The Islamic Economic Company for Foreign Trade, and the Economic Company for the Development of Touristic Services. Investments additionally include 4.5 million pounds on deposit with other banks, 72,000 pounds in various stock certificates, and 50,000 pounds in investment certificates.

The association owns the 12-floor al-Burj Hotel in front of Burj al-Jazirah. The Egyptian Hotel Company has leased the top seven floors and part of the main floor for use as a hotel as of 1 Jan 63. The association retained the other five floors for its offices. The lease, at the time it was signed, had an annual value of 15,000 pounds which

was pared down to 9,750 pounds in 1983 under successive laws that reduced the rentals of homes and establishments.

On 1 Jan 83 the association and the hotel company reached an amicable agreement to again raise the lease payment to 15,000 pounds with another 10 percent increase due 1 Jan 1984. The lease value was 22,500 pounds in 1988 and the association is negotiating an increase to 100,000 pounds in 1989.

The hotel, meanwhile, has daily revenues of 9,000 pounds. This means it covers in one month its entire annual lease obligation to the association!

Not only that, but association members are now occupied with the housing issue.

A project was advertised in Alexandria in 1981 for the construction of a residential city at King Mariott. More than 1200 teachers joined the housing cooperative that was formed to oversee the project.

The cooperative collected some 2 million pounds deposited with one of the banks pending the purchase of land. An area of 280,000 meters was then bought and paid for in full.

According to documents filed with the Alexandria criminal court, association funds were first manipulated by forging [jacking up] lot prices despite a contract stipulation that the land is turned over to the cooperative free of any encumbrances or obligations to others. Yet, the cooperative management agreed to a new contract with the sellers that called for compensation, or key money, to land occupants amounting to 20 percent of the price of each feddan. That cost the cooperative an extra 1,500 pounds per feddan. The development covers an area of 113 feddans which means that the cooperative paid an extra 170,000 pounds. It had originally collected 1.2 million pounds, presumably still on deposit with Bank Misr over the past seven years. Nobody knows where the interest on these funds goes, that is if they can be found at all!

Accusations at the Bar

The teachers association is not alone in fielding accusations concerning its member funds. Certain attorneys, members of the bar association, accuse it of mismanaging its funds and using them to influence election outcomes.

But that is not all.

The bar, with annual revenues of 7 million pounds, had aggregate funds of more than 20 million pounds as of last January. Of that amount, 12 million pounds is on deposit with al-Tujariyyin Bank, 3.5 million pounds in the pension fund, and the remainder invested in other economic projects.

Former board member Muhammad Fahim Amin says that the bar's deposits with al-Tujariyyin Bank are frozen

and cannot be withdrawn. We were able to withdraw only 3 million pounds. The funds were deposited at that bank because of a personal relationship between former treasurer Muhammad 'Ilwan and a bank official who appointed him a member of the board.

Attorney Kamal Khalid says the bar conceded to others 9,180 of its shares prior to the declaration of dividends which cost it the utility of 6,650 pounds for the years 1981 and 1982.

Meanwhile, a report by the Central Accounting Authority revealed that the national association gave regional associations 390,000 pounds at the time of the recent elections. The board of a regional association was paid 10,000 pounds in fees and licenses for an attorneys' club at its site. Nobody knows how this money was spent. The bar procrastinated in providing the accounting authority with documents supporting that payment.

Muhammad Fahim says that the bar also loses money on several service projects. It constructed 'Ajibah Beach in Marsa Matruh at a cost of a million pounds but has no takers so far. A legal dispute is preventing the bar from taking possession of a million pound's worth of housing units in Marsa Matruh. At the same time, it paid in full for land at al-'Arish but is yet to take title.

But Ahmad al-Khawajah, dean of the bar, rejects these accusations saying, "the bar's main source of income is membership dues from only 55,000 attorneys in addition to stamp taxes collected by the courts. Its annual revenues therefore vary between 5 and 7 million pounds. For 1988, it had a surplus of revenues over expenses of about 5 million pounds of which 3.5 million pounds are in the pension fund and 1.5 million pounds are cash on hand. Total funds therefore calculate to more than 25 million pounds.

"In order to develop the bar's resources, we invested 12 million pounds in certificates of deposit with al-Tujariyyin Bank. Our response to the commotion surrounding these deposits is that the bank is owned by five professional associations as well as a number of public sector banks and insurance companies. It follows that it is a solid bank. There was no personal motive for the action.

"Our deposits with that bank began with 2 million pounds and increased to 20 million pounds by 1988. We withdrew half of the funds early last January at the time of the latest elections. We did not make earlier withdrawals because that would have cost us millions in accrued interest. I chose to withdraw funds only as their certificates mature. All withdrawals have been redeposited with public sector banks.

"As to the disputes at the Cairo bar, an investigative committee was formed the moment we were aware of embezzlements. We discovered a shortfall of 117,000 pounds caused by employees of that association. This

was not so much the fault of the national bar as it was of the regional bar. The matter is still under investigation by the fiscal prosecutor."

Ahmad al-Khawajah said, "the report of the Central Accounting Authority was preliminary and was not checked out with the bar, leading to findings that were contrary to fact. We have asked for a second audit and indeed a supplementary report was issued in which authority officials apologized for the inaccuracies of the earlier report. The report has been filed with the fiscal prosecutor who recommended not to involve the bar in such frivolous matters.

"Meanwhile, we issue checks to regional bars. There is nothing wrong with that because the funds are applied towards the construction of clubs for attorneys, such as the Alexandria club which cost more than a million pounds.

"Other examples are the wonderful chalets in Matruh for which we are receiving offers of 40,000 pounds per unit, while the original cost to us was 21,000 pounds per unit. Two residential buildings in Jamasah are now nearing completion by public sector companies."

Financial Difficulties

If the bar is not currently suffering any financial difficulties, they are exactly what plagues the mercantile association and the engineers society.

Treasurer 'Isam 'Abd-al-'Aziz says, "Within a year, the mercantile association will be not be able to pay a cent in pensions unless a new law is enacted to provide it with more resources."

We asked him where their money went. His answer: "We have no money. We have 300,000 members who pay 2.4 million pounds in dues that barely cover pensions outlays for a 12 month period. We have an additional income of about 150,000 pounds in stamp taxes and another 250,000 pounds in state aid. We have no surplus funds even though a merchant's pension does not exceed 20 pounds. We have proposed the enactment of a new legislation to augment association's resources by increasing the stamp tax, especially now that the number of pensioners has vastly increased."

The mercantile association has many investments but they are not doing well. They include 2.192 million pounds in al-Tujariyyin Bank and more than one million pounds in the stock of bank-affiliated companies.

'Isam 'Abd-al-'Aziz says, "investments are weak because of the lack of resources and liquidity. The association's return from al-Tujariyyin Bank was about 900,000 pounds until 1987, then it plummeted. This is a banking problem over which we have no control. Of all other associations, this bank caused us the least losses because we had the smallest investment. But we suffered losses from other companies.

"For instance, the Economic Company for Food Development, profitable for five years, has been a loser this year because of market conditions affecting producers of eggs and fodder. Not a single Egyptian company of this type showed a profit this year."

But why did the association spend its money on diverse investments it can not control instead of concentrating on one giant project which it would have the right to manage?

The association's treasurer says, "No investment vehicle today is guaranteed 100 percent, and we have no access to funds large enough to allow that. I have no resources that I can forego for the long-range. The al-Tujariyyin Bank was one of those giant projects, yet it has stumbled. We currently favor certificates of investment and bank deposits which are the only safe vehicles. We have 1.5 million pounds deposited with banks."

The Engineers Have a Worse Problem

If the mercantile association won't be able to cover pensions at least a year from now, the engineering society won't be able to disburse pensions five years hence, according to assertions by engineer Murad Al-Zayyat, the society's secretary general. His reasons follow:

"We have 84,000 members who pay 1.5 million pounds in dues. Engineering stamp taxes bring the society's annual revenues to 18 million pounds. The society's funds are mainly invested in 17 companies most of which have "engineer" as their middle name. Their activities range from food industries to services to bank investments. The Engineer's Bank has the lion's share of the society's investments. It contributed 6 million pounds to the bank's capital of 20 million pounds. The Engineer has another 8 million pounds in Shawaybus. Most of these companies are suffering tremendous losses, including Shawaybus which has been overdrawn to the tune of 25 million pounds."

The society's treasurer says, "We have requested the state for a three-year grace period during which it would not exact the six piasters per bottle currently mandated by law. The company presently loses four piasters per bottle."

But not all engineering companies are in this embarrassing position. There is a long list of them and most of them have losses. The clay brick companies, for instance, were founded within the framework of a state contract with a French corporation. All clay brick facilities, including those run by the government, lack equipment and the durability of red brick. They are all suffering tremendous losses.

The National Company for Housing Professional Associations, headed by an engineer who is a general and a former minister, is also in danger of collapse because, according to the society's treasurer, it undertook major projects without appropriate feasibility studies and is

consequently in a loss situation. The Engineer's Contracting Company has also been losing.

In view of this, the society is reviewing whether pensions can be maintained under such losses. There was a proposal to double the dues from six to 12 pounds.

There is plenty of evidence that the funds of most associations have now turned into loose money without owners. They are mismanaged and do not realize appropriate returns.

Perhaps this could be further illustrated if contrasted with other associations successes in fund investment. The most notable in this regard is the Applied Engineering Association.

This association has half a million members but the dues are minuscule compared to other annual revenues in excess of 12 million dollars. Most of these funds are invested in major projects of which the most important is 40 million pounds invested in a lumber workshop—owned in its entirety that has enough export orders for 10 years.

Ahmad 'Abd-al-Kadir says: "The association has resolved since the very beginning to invest only in citizens projects and then again in only three sectors—housing, food, and clothing—in addition to assorted bank deposits amounting to 6 million pounds. Association income from these projects amounted in recent years to some 6 million pounds of which 2.5 million pounds came from al-Tujariyyin Bank even though it has been having problems recently. As a matter of fact, we will pay two million pounds into it in an attempt to save it.

"In truth, I am not pessimistic about these figures. It is true that some projects are stumbling but there is only one reason why the other associations are not returning a profit. We are sincere folks over here. We work steadily all day but don't get paid for it.

"I am, for instance, entitled to 4,000 pounds a month as chairman of the board of the new lumber workshop, but we don't touch that money because this is a public service. The others, meanwhile, overburden their companies by charging for similar positions.

"As of now, we will invest our funds in our own projects that we ourselves control, keeping away from all those other project that might suffer because of their management."

Would such advise help in protecting the loose money of other associations against loss? We hope so.

National Research Center Provides Agriculture Statistics

45040495 Cairo LIWA' AL-ISLAM in Arabic
3 Aug 89 pp 22-23

[Article by 'Abd-al-Hakim Abu-Nasir: "Agricultural Policies in Egypt: Reality and Facts"]

[Text] Where is the agricultural food policy in Egypt going now that the agricultural product has failed to feed the people? We are importing 79 percent of our food from abroad; our wheat self-sufficiency has fallen back to only 21 percent; the sugar crop's food shortfall has reached 654 tons; and the cotton season has been a disaster for three consecutive years, costing the country \$2.5 billion. Moreover, the rice crop shortfall is 240,000 tons and that of the maize is 1.9 million tons. This shortfall is being covered through importation.

Furthermore, Dr Sabri Riyadh, an advisor at the National Research Center, emphasizes that food shortage was not a marked feature of the fifties or the forties, but became manifest in the early sixties when self-sufficiency was about 53 percent, dropping to 36 percent in 1970. The food shortfall rose to 4 million tons in 1974 as opposed to 1.7 million tons in 1970. As of 1980, all basic agricultural products fell within the framework of food shortages and the shortfall rose to 10 million tons. The bill for the 1970 shortage amounted to \$14 million and this figure rose to \$69 million in 1973, then jumped to \$860 million in 1974 and to \$2 billion in 1980. Last year, the bill was \$5 billion.

But agricultural ministry officials do not admit to all these facts and still maintain that the ministry draws up an agricultural food policy on a yearly basis through committees, the last of which is the Agricultural and Policy Formulation Committee chaired by Engineer Ahmad Mumtaz, head of the Agricultural Research Center, with a view to studying the actual needs of the population by regions, and to draw up plans and programs to meet the food shortfall by raising production and studying the population's food consumption patterns.

Policy of Imbalances

The ministry is oblivious to the fact that a serious shortage exists in grain production, estimated at about 1.0005 million ardebs, caused by the cutback in the area designated for grain farming. According to a study by the Specialized National Councils, the area designated for grain farming amounted to 5 million feddans in 1972 and dropped to less than 4.1 million feddans in 1985.

Moreover, crop composition experts emphasize that the current crop composition reflects a number of imbalances that impact on the composition's standing. For there is a clear contradiction in the area set aside for basic food-stuffs compared to the people's needs on the one hand and exportation on the other hand. The area for wheat has been cut down to 1.1 million feddans (based on official figures) for a population of 53 million persons, against 1.8 million feddans in the forties for a population of 19 million persons.

There is also a clear imbalance in expanding the cultivation of crops that are less important in terms of food security at the expense of basic crops. Consequently, imports have gone up to 5 billion Egyptian pounds a year

and the agricultural balance of trade deficit accounts for 50 percent of the Egyptian trade deficit.

Experts maintain that the current agricultural policy brought about another clear imbalance in the crop composition. For by concentrating basically on the cultivation of nontraditional agricultural products such as fruits, vegetables, and citrus fruits, and by the government encouragement of big farmers to plant nontraditional crops, the area of almost 120,000 feddans designated in the seventies for orchards has been growing at a rate of 12,000 feddans a year.

Dr Muhammad Samir Mustafa, agricultural advisor at the National Planning Center, believes that there are no well-defined agricultural policies, as evidenced by the growing food shortfall figures, the slump in basic crops such as cotton and wheat, and shrinking farm land. If plans do exist, they favor certain nontraditional crops such as fruit and strawberries for export and they represent a full translation of IMF specifications.

Policies in Backward Framework

Dr Muhammad Abu-Mandur, head of the Agricultural Economics Department at the University of Cairo, points to the fact that agricultural policies are moving in a subordinate backward framework with a bureaucratic segment whose chief elements are a contradiction among the competent ministries, such as the Ministries of Supply, Agriculture, Economy and others, and a lack of a consumption rationalization mechanism, in particular the absence of full-dimensional policies to ease the pressure on the Nile Valley and the delta where 98.3 percent of Egypt's population live.

He added that the prescription the IMF is offering to the Egyptian agricultural sector steers agricultural policies toward a sure disaster. It uses the world price as a benchmark for the local price, notwithstanding the fact that the world price is a "game" the superpowers which control 81 percent of the world food surplus, to effect rapid currency devaluations in poor countries that are ill-equipped to cope with them.

Agronomists are critical of the trend to grow high-priced crops for export. This tendency has failed miserably, as evidenced by the strawberry farming experience whereby 57 out of 9,000 tons of strawberries, or only 3 percent, have been exported.

Current agricultural policies encompass instances of squandering and waste whose primary feature is the squandering of earth resources which the agricultural wealth development in the eighties' strategy statistics put at 750,000 feddans. Add to that the areas of land lost to erosion at a time when only 72,000 feddans were reclaimed in the eighties, compared to 1,912,000 feddans in the forties and early fifties, and the workforce dropped in terms of fewer work hour for agricultural workers and the sharp increase in agricultural labor wages.

Experts also report a gradual decline in investments in the agricultural sector. These investments represented 19.5 percent in 1960 and fell to 10 percent in 1970. This decline has been linked to primary crop profits at the expense of secondary crops and the agricultural credit structure has undergone a change in favor of high-price nontraditional crops grown for export.

The need for a scientific and objective agricultural food policy is further underscored by that shortfall and by the gap between the grower and the Ministry of Agriculture, for the farmers and the ministry are worlds apart. All over the world, agricultural production grows when the latest scientific research studies are brought to the real grower. In our case, there is a separation of theory and application. Suffice it to know that the ministry's scientific tests have established that the feddan's average wheat output is 20 ardebs while in reality it does not exceed 10.5 ardebs.

All this once again leads us wonder about the direction the agricultural food policy in Egypt is taking and where it is going.

Study Profiles Iron, Steel Complex

45040514 Cairo AL-AHRAM AL-IQTISADI
in Arabic 14 Aug 89 pp 30-33

[Article by Dr. Khalid Fu'ad Sharif, Assistant Professor at American University: "A Study of the Iron and Steel Complex"]

[Text]

The Steel Sector: An Overview

The Iron and Steel Company is considered the major steel producer in Egypt. It is the only company with a fully equipped production facility. Three other companies have semi-equipped plants—the al-Delta Steel Company, the National Company for Metallurgy, and the Egyptian Company for Copper Tooling. All are public sector companies with the exception of al-Dukhaylah which is a joint venture. Those companies have an aggregate annual capacity of about 1.5 million metric tons of finished product, of which The Iron and Steel Company accounts for 990,000 metric tons. The Public Sector for Mineral Extraction, through the ministry of industry, has oversight over steel companies.

Supply and Demand for Steel

Egypt has been a net importer of steel for more than a decade. Following the economic open door policy of 1973, the Gross Domestic Product [GDP] grew at a high rate of about 9 percent. The growth of domestic production and the tremendous increase in expatriate remittances triggered considerable prosperity in the construction sector, causing consumption in the 1975-81 period to increase at the annual rate of 10.4 percent.

Since steel production grew at the much lower rate of 5.7 percent, imports increased at the annual rate of 14.3

percent. On average, rods accounted for 37 percent of domestic steel production, for 81 percent of imports, and for 56 percent of consumption.

Supply and demand forecasts for steel indicate that Egypt will remain a net importer of steel over the next decade and that the domestic supply shortfall will continue to rise from 1.5 metric tons annually in 1985 to 1.6 metric tons annually in 1995. Supply is expected to increase from 1.2 metric tons annually in 1985 to 3.2 metric tons annually in 1995, pending the completion of repairs and renovations planned for the Iron and Steel Company and the other three firms, and pending the completion and timely operation of al-Dukhaylah and al-Sadat City projects.

Demand, on the other hand, is estimated to grow from 2.7 metric tons annually in 1985 to 4.8 metric tons annually in 1995. This is extrapolated from forecasting probable steel consumption and production, then using past raw material/production ratios to estimate future consumption.

Egyptalics' [as published] estimates of demand for the period 1985-1990 are very optimistic in view of current economic conditions in Egypt. Based on an income to demand sensitivity of 1.2, steel consumption will grow in the average at an annual rate of 4 percent in 1985-1990 period, compared with Egyptalics' estimates of 7 percent. At any rate, the level of domestic consumption is expected to be higher than that of production.

Although expansion projects can generally be justified on marketing grounds, there remains the issue of mixed output.

A profile of the Egyptian steel industry till the year 2000, in the January 1985 final report of Egirabec' Gofi [as published] should be taken into consideration.

Although available data does not allow accurate supply and demand estimates for various steel products, it is clear that the implementation of current expansion plans would increase the supply of rods but will leave a shortfall of sheet products. Another problem is the lack of data on private sector steel investments.

Finally, the world market for steel is currently in recession. Steel prices are not expected to firm up appreciably in the near term. Caution should therefore be exercised when contemplating new steel projects in the public sector. It would be preferable to focus instead on gathering the data needed to forecast supply and demand for major steel products.

The Iron and Steel Company: A Background

The Egyptian iron and steel complex at Hilwan near Cairo is the largest steel works in Egypt and the only one to have a fully equipped plant. The company was created in 1954 and went on line in 1958. It was supplied by Dimage [as published] of West Germany and had an initial annual capacity of 0.3 million tons of finished

products. It was expanded several times, mainly with Russian resources, to reach an annual capacity of 1.2 million tons in 1978. Its employees numbered 24,100 by the year 1984/85.

Main feedstock for the Iron and Steel Company is iron ore, coke, natural gas, gypsum, and dolomite. The company obtained iron from domestic sources until 1975, basically of its mines near Aswan which had a low volume (25 million tons) and poor quality (42 percent iron, a high small percentage, in addition to phosphates). The al-Judayidah iron ore depository at al-Buhayrah oasis was completed in 1973 using Russian technology. The output of those mines is also of poor quality (52 percent iron compared with 60-65 percent iron content for the product on world markets) but the volume is higher (250 million tons). Coke is obtained from Chemicoke [as published] next door to the Iron and Steel Company. Also a public sector company, Chemicoke was originally an Iron and Steel company affiliate but was spun off during the founding stage since it was planned to produce some chemical by-products of coal mining. Natural gas, gypsum, and dolomite are all available locally.

Financial Performance

The Iron and Steel Company, like many other industrial projects, was a poor financial performer. For instance, return on revalued assets was less 1 percent in 1983/84. This improved to 4 percent in 1984/85 as prices firmed up but still remained below debt service. Such a poor financial condition would necessarily mean a considerable gap between savings and investments, a heavy budgetary burden, and overdrawn accounts. The finances of the Iron and Steel Company, however, could be construed as improving slightly if the current trend towards change is taken into consideration. For instance, the rate of return, the gap between savings and investments, the budgetary burden, the current rate, and time differential between payables and receivables, all have improved in 1984/85 relative to 1977.

Although the rate of return is low, the fiscal structure has remained reasonable for two main reasons. First, the government has continued to infuse the company with additional capital for expansion and rehabilitation. Capital, and the government's share, subsequently increased by 25 million pounds in 1977, by 60 million pounds in 1979, by 77 million pounds in 1980/81, and by 162 million pounds in 1983/84.

Second, price escalations, even though rare, were considerable. There were three major price adjustments in the period from 1976 to 1984/85. Prices were hiked by 23 percent in Dec 77, by 25 percent in Mar 80, and by another 25 percent in Jan 85.

Economic Efficiency

Change in the aggregate productivity of factors of production has been positive but there has been a radical change in the company's performance in the second half

of the 70s (1976,80,81) and in the early 80s (1980/81-1984/85). In the former, output increased at the very high rate of 13 percent. Improved productivity accounted for 63 percent of output growth. At the same time, outlays for capital equipment increased at the annual rate of 0.1 percent and human resources increased at the modest rate of 2 percent. Aside from the improved performance of the factors of production, raw material inputs were the largest contributor to output growth (35 percent), according to a report on commercial strategy for the 1973-79 period.

By contrast, the 1980/81-1984/85 period is characterized with a decline in the aggregate productivity of the factors of production, caused mainly by lower capital goods productivity. Even though output, human resources, and raw materials have declined, we find that investment in equipment increased sharply, indicating declining exploitation of available resources.

There are several reasons for the positive change in aggregate factor productivity in the second half of the seventies. Expansion projects completed in 1973 and 1978 were followed by huge gains in technical skills. Moreover, reduced shipping costs and easier mining operations resulted from reliance on al-Buhayrah mines, instead of those at Aswan, beginning with 1975. Second, increasing employment and rising capitalization, which characterized the company in the late 60s and early 70s, made it possible to increase output without need for much additional human resources. Lastly, the company's top management during that period was known for being dynamic and supremely adept at decisionmaking. This contrasts with several problems and obstacles in the 80s. For instance, we find that the degree of exploiting available resources was only 47 percent in 1984/85. This is extrapolated from the ratio of median to maximum length of operations. Some company equipment was more than 20 years old and therefore useless. In addition, the company lacked many elements of success such as balanced resources, smooth production flows, managerial skill and expertise, skilled workers, and sound performance. Absenteeism, for instance, increased from 5 percent in 1982/83 to 5.8 percent in 1983/84 and to 6 percent in 1984/85. Delays in implementing the first stage of rehabilitation and attempts to escape the bottleneck also added to the company's current woes.

On the basis of static efficiency alone, Egypt has no comparative advantage in steel production. A dynamic viewpoint, however, reveals vast opportunities to achieve future economic efficiency. For instance, the long-range cost of domestic resources has continued to drop from 11.34 in 1964/65 to 2.613 in 1980/81 to 1.20 in 1984/85. This may be attributable to the acquisition of expertise, the modernization of plants, the availability of skilled workers, the availability of cheaper iron ore with the discovery of mines in al-Buhayrah, and economies of scale fueled by ever-growing domestic demand for steel. And yet, as we mentioned before, caution must be observed when contemplating new investments. The

company's rehabilitation program is the exception since it is justified in light of the relative short-term cost of domestic resources, calculated at less than 1.

Technology: As previously mentioned, the Iron and Steel Company suffers outdated technology despite past efforts at modernization. Equipment is old. Obstacles to production are few but resource consumption is high. For instance, the volume of finished products has dropped from .83 million tons in 1982/83 to .71 million tons in 1983/84 and to .67 million tons in 1983/84. Meanwhile, coke consumption relative to the finished product increased from 1.11 in 1983/84 to 1.28 in 1984/85.

The variance between short-term and long-term costs of domestic resources lies in how to treat capital equipment. At the Iron and Steel Company, most capital equipment costs are represented as expenditures. It is to be noted, therefore, that the short-term, which is discounted when calculating economic cost, would be more appropriate for estimating economic cost. The short-term decline in the cost of domestic resources from 1980/81 to 1984/85 reflects the company's difficulties during that period. The World Bank recently reported improved performance by the Iron and Steel Company thanks to increased efforts for the implementation of the rehabilitation program.

Technical problems have increased because of the inferior quality of domestic iron ore and the difficulty of administering such a huge and complex project as the Iron and Steel Company. Delays in carrying out the first stage of rehabilitation compounded the problems.

The Investment Program

Egypt has invested a great deal of resources in the Iron and Steel Company. The company's technical problems and poor performance prompted the government to embark on a huge two-stage rehabilitation program with the help of the World Bank. The first stage, begun in 1981 and scheduled for completion in 1987/88, was a priority investment with an estimated average economic return of 42 percent. That stage was only 16 percent completed in mid-1985, considerably behind schedule. Implementation interruptions were partially caused by the delayed availability of domestic financing through The National Investment Bank. The problem was aggravated by management's inability to deal with such a huge undertaking and by reluctance to request technical assistance.

Management

The operations of the Iron and Steel Company are extremely complicated as they are a complex mixture of products and strategies. Rapid expansion and rehabilitation programs undertaken by the company over the past 15 years added to the many challenges facing its

management, preoccupying it at the expense of developing adequate plans for operational structuring, strategies, and procedures. Attempts at improving these conditions are currently underway. For instance, a newly introduced system of incentives has had a positive impact on worker productivity. UNIDO [United Nations Industrial Development Organization] helped with the introduction of programmed systems for maintenance and spare parts control. The company has also added an energy storage unit and a unit for industrial engineering but a lot remains to be done before it reaches the desired performance level. In particular, the company must extend its programmed systems to include production planning and resource control. The efficiency of worker training must also be increased, and so must environmental services and anti-pollution efforts. Most of these proposals are part of the technical assistance supplied by the World Bank during the first stage of rehabilitation.

Marketing

Demand for products of the Iron and Steel Company has remained [unintelligible] in general. Even though most products are domestically oriented, exports, mainly of steel sheet products, accounted for between 3 and 6 percent of total sales. The finished product logged a moderate warehousing period of about two months. Product marketing, however, may create a problem in the near future because the domestic market for certain product is close to saturation.

Cost and Pricing Trends

In contrast to most other public sector companies, the finished products of the Iron and Steel Company are generally priced in line with increases in raw material costs.

The index of raw material costs nearly doubled in the period from 1976 to 1984/85, and so did product prices, which increased by 25 percent every two or three years on average.

However, price adjustments were not timed to closely follow production cost increases. This caused instabilities in the financial performance of the Iron and Steel Company from one year to the next. For instance, the average selling price has hardly risen in the period 1980/81-1983/84 as raw materials costs increased by 10 percent annually on average. Prices were adjusted in 1984/85 to catch up with production cost increases.

Reform Program for the Iron and Steel Company

An Investment Program: Increased demand for steel in recent years, coupled with lower costs for labor and energy, are a strong incentive to boost steel production and we find, therefore, that several steel projects are on their way to us. Estimates of future demand for steel need to be reviewed in light of unoptimistic Egyptian economic forecasts. The right product mix should be given careful attention. Since the costs of domestic

resources for that industry remain high in the long term, and since world steel prices remain low, priority should be given to rehabilitate and modernize current facilities.

Fiscal Reform

Most obstacles facing the Iron and Steel Company have their origin in problems with the project as a whole. Limitations inherent in company policy, such as the lack of independent day to day decisionmaking, have had an adverse impact on the company's productivity. But unlike other public sector companies, the Iron and Steel Company has benefited from such a policy, especially with regards to price setting.

The company's lack of financial strength is attributable mainly to operational inefficiencies brought about by technical and managerial problems. Even though the policy of price setting (of products and feedstock) has worked in the company's favor, [domestic steel] prices are on the average lower than those of similar imports. On the other hand, the price of coke, which is the company's main feedstock, is lower than its economic cost. Prices of both products and raw materials should be at their economic level. Prices should also be adjusted yearly and the government must allow market forces to determine prices as competition increases among the Iron and Steel Company and others in the public and private sectors.

Technical Reform

The problems of the Iron and Steel Company are basically technical and managerial in nature. The first rehabilitation stage entails some attempts to resolve them.

As mentioned before, those attempts were frustrated on one hand by the lack of domestic financing for needed construction, and on the other by management's inability to deal with complicated projects. The rehabilitation program is the main key to efficiency at the Iron and Steel Company, and the government should give it priority. The government should also make a special effort to improve the Iron and Steel Company management.

First Domestic Ceramics Factory Profiled

45040501a Cairo ROSE AL-YUSUF in Arabic
7 Aug 89 pp 68-69

[Article: "When Hope Turns Into a Factory"]

[Excerpts] [Passage omitted] On the land of al-Fayyum Governorate the Amal Company built the al-Amal Pharaoh's Argil Ceramics Factory in the area of Kawm Awshim, 67 kilometers from Cairo and 35 kilometers from al-Fayyum.

Why This Location?

The factory was built in this area because of the availability of argil, the substance used in the ceramics industry. This factory has transformed this desert region

into a vibrant area full of life and activity and will become, God willing, a nucleus for the establishment of an industrial community. Development is growing and expanding in a hope-inspiring fashion.

To explain how this establishment got started and how this accomplishment has been achieved, Engineer Ramzi Ramadan, a unique talent in this field whose experience spans 27 years of continuous work in ceramics and chinaware, not to mention the training courses he attended in Japan, West Germany, and Italy, and the two factories he has set up in the cities of Quwaysna and Madinat Sitt Uktubar, whose production has filled a big hole in imports, this engineer, who is an al-Amal Company representative, said:

"The idea to establish this factory began with a group of companies. We contracted for the machinery and I drew up all the special designs in accordance with all the international and Egyptian capabilities and with 100 percent Egyptian technology, or, in other words, with 100 percent Egyptian know-how. Full training got underway at the factory, followed by production tests. The manufactured products flooded the market, where they won the confidence of the Egyptian consumer."

Regarding production, the company representative said: "The company saves the government \$9 million per year, which is the value of the ceramic tiles the state used to import. This is opposed to only \$1.5 million spent on the importation of production needs and spare parts. The company uses local raw materials exclusively and it manufactures 1.5 million meters of ceramic floor tiles. We are the first Egyptian company to go into this field and manufacture floor ceramics with international specifications and quality. Our product can withstand pressure, friction and atmospheric elements and changes, does not break easily and is acid- and alkaline-resistant. Consequently, it rivals any product imported from any European country that has been in this business for 300 years. It also manufactures floor coverings, ceramic wall tiles of various sizes and countless ornaments—all local and modern—as well as curbstone, a new Egyptian product, and special tiles used for paneling pillars."

Engr Ramzi Ramadan added: "An agreement has been reached to build two new production lines to add 1.2 million meters to the current 1.5 million, thus raising production to 2.5 million meters of ceramics by 1990.

"In this respect, I would like to point out that the company manufactures glaze, the glossy coating applied to tiles. We manufacture 25 percent of this substance locally and in 1990 a production unit will be built to raise production to 100 percent."

Training Cadres

About the factory's workforce, the company representative said: "The workforce is made up of about 200 workers and engineers who have been trained by Egyptian hands on factory grounds. These elements have been well prepared in terms of qualifications and training.

Advisors are brought in to keep up with international technology and to upgrade scientific and technological standards.

"In its belief in the importance of decor, the company has set up an interior design department even though this field is not big in Egypt. The company has a complete and integrated factory for the preparation of drawings, designs and ornaments by Egyptian artists working for the company. Therefore, all the decorations are 100 percent Egyptian and they keep up with the times and satisfy all kinds of tastes."

Export Plan

About the company's export plan, Eng Ramzi Ramadan said: "The company has new offers to export to Iraq and Jordan, and a number of foreign companies want to export the company's products to the United States and Canada. However, we will not begin exporting before January 1990 because we would like to win the confidence of the local market first, and meeting its needs is our primary objective."

Article Explains 'Secret Clauses' in IMF Agreement

45040501b Cairo AL-SHA'B in Arabic 29 Aug 89 p 3

[Article by Mahmud Bakri: "Egypt's Debts: Story and Crisis; Secret Plan by IMF and West to Control Egyptian Economy"]

[Excerpts] [Passage omitted] To get acquainted with the IMF's real role, it is necessary to talk about the articles of the secret agreement reached between the larger nations and the IMF, an agreement drawn up in total secrecy in the United States, and to link this to IMF attempts, throughout its negotiations with the Egyptian government in the past years, to apply the secret agreement's articles to Egypt.

The Secret Articles Are

The agreement begins with a number of general articles, based on secret IMF papers, that may be summed up as follows:

- Affirmation of the need for the reform program the IMF is imposing on the debtor countries to primarily serve the world capitalist system and to work to strengthen and reinforce it internationally.
- IMF policy shall require the debtor countries to direct all their exports, particularly raw materials, to the major industrial countries.
- Force the debtor countries to fully open their markets to exports from capitalist countries by modifying exchange rate policies and removing customs restrictions on foreign trade.
- Promote the industrial sector in debtor countries and diminish, to the extent possible, government intervention in the conduct of these countries' economic policies.

The secret papers affirm that the agreement between the IMF and the larger nations also included a clause calling for raising taxes in debtor countries to cut the state's general budget deficit in order to raise state revenues, which will be used to import goods from industrial countries. This will naturally promote trade exchange activities between debtor and lender countries.

Lifting Subsidies

The agreement believes that in order to promote exchange activities, debtor countries must be forced to lift the subsidies from basic commodities because government subsidy limits the state revenue's ability to step up import and export activities with advanced countries.

The agreement affirms the need to raise the selling price of public sector commodities in a way that would bring about full competition between public and private sector prices. This would allow the private sector to have control over economic policy. According to the secret papers, this is one of the most serious and important articles of the agreement. In explaining this point, the secret papers made it clear that the IMF, which was established in 1944, has been controlled and steered by the Western Bloc countries. The Western Bloc at that time was opposing the Eastern (Socialist) Bloc politically and militarily, for the Marxist theory was the most significant threat facing the Western Bloc, who feared this theory's spread to Third World countries. [passage omitted]

The secret agreement's articles include another clause obligating governments in debtor countries to comply with the ceiling imposed on bank loans to the government and the public sector, and to impose a ceiling on credit. The idea is to increase the amount of money that can be put at the private sector's disposal. During discussions with the Egyptian government, the IMF insisted on the implementation of this condition, saying that if the government failed to comply with it, all loans and aid would be stopped.

Even though the government, during more than one round of negotiations, presented to the IMF the viewpoint that the private sector will abstain from producing basic commodities that are important to the basic needs of the Egyptian citizen, the IMF paid no heed to what the government had to say, feeling that its only concern is to see the private sector realize a profit from economic activities without any consideration for the people's basic needs.

One article in the secret agreement explains another objective calling for pressuring debtor countries to reduce their major industrial projects on the pretext that such projects require huge investments that do not yield short-term profits. Moreover, these projects require capital for protection and backing, and conditions in Third World countries are not suited for their establishment.

This article explains the significance behind the IMF's insistence that the government sell the public sector. The

IMF is trying, through this article, to make a connection between policies and barring debtor countries from setting up those major industries, forcing them to beef up their raw material exports and to neglect their industries so that they may remain a brisk market for western imports.

To put this theory to work, the IMF has turned down all Egyptian requests for loans to set up major industries or to refit or modernize old ones. Instead, it has advised the government to concern itself with the agricultural fields by reclaiming more land. It is as though the IMF is repeating the old colonialist adage that "Egypt is only an agricultural nation, not an industrial one."

And to complete its advice, the IMF expressed the belief that major industries cannot yield enough profit to allow the government to meet its international obligations stemming from expansion in these industries. It asked the government to be content with small industries that yield small profits, on the grounds that such industries provide quick job opportunities for a broad cross section of Egyptian youth.

Columnist Warns Government Against Further Security Measures

45040491 Cairo AL-SHA'B in Arabic 15 Aug 89 p 1, 2

[Article by 'Adil Husayn: "Between Collective Arrests and Opening Fire"]

[Excerpts] It did not disturb us that the process of eliminating autocratic methods was protracted. We knew that freedom takes away but does not give. We knew that the corrupt persons profiting from a continuation of the current situation would resist the wish of the people to remove them from their positions. It did not disturb us that the battle was difficult and required sacrifice and time. However, it does disturb us that the people in power are expanding their use of intimidating, criminal means to stop the successful progress of their opponents, violating all laws and civilized practice. It is true that we still write for the opposition press, uncovering deceptions and plots. We agitate against those who sully our way of life and bring the wrath of God upon us, but we also believe that the restrictions on our parties are intensifying and tightening. They are now forbidden to enter the local councils and the Shura Council. Since the recent Shura elections and the invalidation of the court rulings regarding the People's Assembly, it is certain that the upcoming People's Assembly elections will witness open fraud aimed at completely eliminating the opposition parties, primarily the Islamic Alliance. Yes, we still write, but the restrictions increase and people are mowed down by bullets and beaten fiercely for any attempt to protest. We now have a minister of the interior who publicly acknowledges these methods, but no one around him prevents or opposes such action. Yes, we still write, but around us we hear the cries of the tortured and beaten, and we know that the prisons are open, awaiting thousands of young men of all stripes with no law or stated reason. [passage omitted]

We say to those in power that this situation cannot go on; the people will not accept humiliation and oppression, no matter how much the Central Security numbers increase, no matter what the provocation for the beatings and opening fire. God willing, we will not stop our war of words. We will not weaken, God willing, but will maintain our positions, firing words until God takes us. Either the judges will clamp down on us and put us into prison with the others, or God will reveal the suffering and extend His grace, since it will not be revealed without God's help. [passage omitted]

The policy of prolonged detention and bloody intimidation pushes young people to offer more resistance to the authorities trying to arrest them. How can this be a means to provide order and stability, as they claim or they suppose? We differ with some of the Islamic youth; however, mistakes and deviations should be answered with reasonable, contemporary Islamic jurisprudence under comprehensive reform policies, not senseless, widespread arrests and violation of the law and principles of justice. [passage omitted]

As for the Iron and Steel Corporation, in general it would be fair to say that the heads of the public sector corporations are guided by economic policies dictated to them by the IMF on the one hand and by the security apparatus, which advises or reproaches them in their relations with workers and their representatives, on the other. In many instances, these restrictions limit the ability of the corporation heads to offer appropriate solutions with the necessary speed. [passage omitted]

The IMF and its supporters demand "economic management" of public sector projects. In other words, every corporation would bear individual responsibility and must have a free hand in setting prices for its products, after which it will be determined if it missed its target or incurred loss. This, which seems logical, becomes a growth disaster, with economic and social convulsions, since it means that the government would have absolutely no say in pricing policy. In addition to the "economic price" at which corporations sell, the state must intervene and set "social prices" for necessities. The difference between the elevated economic prices and the lower social prices is the subsidy borne by the public treasury, which the IMF demands be eliminated. [passage omitted]

The workers have taken action in the railroad and in al-Mahallah al-Kubra and recently in the Iron and Steel Corporation. They are acting to correct oppressive circumstances created by economic policies that do not seek the good of the country. If this oppression continues, the reply to the oppressors will continue to be boisterous protest. The time has come for us to stop talking about the "aberrant minority" whenever there is a popular protest. Such talk reveals disgraceful social and political ignorance. The steering council of any union or any student federation, or even a charitable society, is by necessity composed of a limited number of individuals. How can Zaki Badr attack this number on the pretext that they are a minority, ignoring their role as representatives? On the contrary,

what happened in the Iron and Steel Corporation, and what happened earlier in al-Mahallah, were not acts by some elements of the leadership. The government and its newspapers must acknowledge that this was widespread action by the people which the Ministry of Interior is trying to thwart and to slander those who carried it out. This brings us to the story of the false, repeated accusation that factories were sabotaged. Industrial workers in Egypt are a class with deeply-rooted traditions of organizing and acting. They realize that industrial machinery is a national resource which benefits all of society, including those who work with the machinery. Consequently, no machinery would be damaged in a labor action as a form of protest. However, be forewarned. The savage storming of factories and opening fire could lead to the damage of machinery during future labor actions in self-defense. Thus far, labor has not resorted to stopping production, staying at their positions, hoping to continue production. What might happen now that factories have become a legitimate, open arena for killing? The government must deal fairly with workers and various segments of the people. In the past, strikes were prevented forcibly as part of an integrated contract which prohibited strikes, but also set forth clear principles for wages, incentives and price stability. The situation is different now, since the state has relinquished many of its obligations to workers and to the poor in general. Consequently, it is now the right of the workers to use their ability to exert pressure to preserve their rights. Labor laws prohibiting strikes must be restored, in light of these new facts.

Public investigations must stay away from all levels of the union movement so that the General Federation can be a reliable representative of labor interests. However, in the social movement, as well as in the political, the government is employing greater suppression and repression, instead of opening up access to change and action. The shedding of blood and opening of detention centers for thousands will not solve the problems of unemployment and high prices. It will not increase production, nor will it resist the Zionists and the Americans. The path of intimidation is the path of disaster. God willing, we will not stop our war of words. We will continue to inform and enlighten our nation about the Islamic solution so that God will judge between us and you. The oppressors shall know at the hour of judgment what their fate will be. "Did you not walk on the earth and see the punishment meted out to those who were more powerful than you?"

ISRAEL

Role of Helicopter Gunship in IDF Described

44230172a Tel Aviv BITA'ON HEYL HA'AVIR
in Hebrew Jul 89 pp 36-41

[Article by Dror Marom: "Fire Power"]

[Text] When it comes to helicopter gunships, flight altitude drops and the adage "You shall use ruse in your wars" becomes "You shall use magic tricks in your

wars." In the years since the the first helicopter gunships landed in the Air Force the branch developed into a powerful force playing a central role in air warfare. It carries out a sizable share of air force missions and of IDF's [Israel Defense Forces] missions on the northern border.

Helicopter gunship pilots enjoy almost absolute operational independence; their squadrons have complete independence in battle, on current security missions in Lebanon, and in current operations against terrorists, in which their capability to closely cooperate with fighting ground forces is particularly striking. For their part, the ground forces have learned to cooperate creatively with Air Force helicopters.

Air Force helicopter pilots began to fantasize aloud of helicopter gunships already towards the end of 1967. In the 6-Day War there was still no real need to incorporate them into Air Force warfare. The ground-to-air missiles that threatened our airplanes were not sufficiently advanced, so that our aircraft were able to move freely and to operate on all fronts.

Six years later, in the Yom Kippur war, enemy ground-to-air missiles began to make trouble for our airplanes on the front, restricting their freedom of movement and their capability to give support to the ground forces and to attack and destroy enemy targets.

Difficulties arose in the operation of Air Force airplanes in that war; the efficiency of their battle support dropped, and a relatively large number of planes were hit.

As in previous wars in the international military arena in which closely supporting aircraft were hit, it turned out that there was a solution to the vulnerability of Phantoms and Skyhawks in battle.

"The decision to introduce attack helicopters in the IDF was a direct outcome of the lessons of the Yom Kippur war," said Colonel D., one of the first to deal with helicopter gunships in the Air Force and founder of the first Defenders squadron. "Mobile defense based on tank units and permanent strongholds in the field, which were activated in keeping with the enemy's attack configuration, did not prove effective and actually failed. The Israeli armored corps fell victim to enemy antitank missiles and to the considerable technological advantage of the other side. In addition to those factors, the mobility of the armored troops was limited and they were incapable of dealing with the demands of a tight schedule.

"There was a real need for far more mobile and versatile forces than armored units spread on the front, capable of arriving at the battlefield faster, consolidating, and being immune to hits by ground-to-air missiles."

Helicopter gunships are versatile. They move at low altitude and operate freely under enemy missile threat at very low risk. Consequently, they were the right solution.

"Our Air Force attack helicopters are mainly designed to attack enemy tanks and armored fighting vehicles. They operate in places where they are the only ones capable of fulfilling this type of mission successfully.

"As a blocking force, helicopter gunships are designed to disrupt enemy moves while at the same time providing cover for our forces, which in the meantime can prepare for defense and attack at a later stage. The scenario is simple: ground forces may not be organized for counter-attack, airplanes may not be able to provide support because of threats to them, while helicopter gunships can meet demands as they arise according to developments on the front."

Helicopter gunships were first introduced to the Air Force in 1974 when the U.S. Air Force invited Israeli Air Force teams to "investigate the weapons without obligation." Air Force Commander General Benny Peled seriously examined possibilities to acquire Cobra G helicopters from the Marines. The first nucleus of helicopter gunships was made up of six helicopters, three helicopter gunships, and one Phantom navigator.

"The Air Force commander lifted restrictions on low-altitude flight in both daytime and nighttime," said Lieutenant Colonel S., a member of that first nucleus and one of the commanding officers of the first Cobra squadrons. "We were the pioneers in nap of the earth (N.O.E.) [night helicopter flight] and in utilizing sophisticated night vision equipment. We dealt mainly with opening up new areas. The ammunition-readying system on the first Cobras we flew was very primitive—it was neither telescopic nor stabilized. The 7.62 mm gun had a low range and was not accurate at low altitude. In point of fact, the Cobras were suited for conditions in Vietnam and carried obsolete technology.

By the end of 8 months of testing, a recommendation was made to the Air Force commander to begin acquiring helicopter gunships with more advanced weapons systems and to begin developing combat doctrines and cooperation with ground forces. We began to adapt the helicopter gunships to Air Force attack missions. In order to preclude a general "assault" on the helicopters by paratroopers and reconnaissance units, the corps commander set limits for joint action with helicopters and assigned them solely to the armored corps. Work with armored troops featured no more than acquiring targets, since we were not yet equipped with means of destruction.

In the summer of 1979, after a course in the United States, the entire helicopter arm had no more than eight operations pilots. The squadron began training for its first attack target, which was located north of Tyre. Since it was the first helicopter gunship attack, the staff work was very detailed and was personally supervised by the chief of operations.

The attack teams studied recent air photographs of the attack area. This first attack also served as an experiment with a new weapons system and as a means to deal with

questions on missile guidance, recommended run altitude, and adjusting helicopter position in relation to target.

A few days before the scheduled attack, the Cobra pilots were summoned to return to base in the middle of flight training. The previous day, terrorists had penetrated moshav Margalioth close to the northern border. According to intelligence reports, the three terrorists who had staged the attack had managed to escape over the border. The training Cobras were hauled back to base and ordered to load ammunition.

Lt Col H., present commander of the Cobra squadron, who participated in the first sortie, said: "Everyone was terribly excited. After all, it was the first operational application of a relatively new weapon. Squabbling broke out regarding crews. We were more than a little apprehensive. It was clear to us that execution had to be perfect. We were afraid of fire and of the kind of opposition we were likely to encounter in the field.

"We took off at twilight and rapidly flew due north along the coast. The target was located very close to the coast and was easy to identify. A minor malfunction in the fire camera was fixed en route.

"Number one was the first to fire. Before we launched our missiles, our pilot, the late Lt Col Tzion Bar-Or, managed to pull out a camera and capture on film that historic event. We mounted our attack while he held the camera on his knees. The missiles were very accurate and the target—a two-story building—collapsed.

"It was almost night by the time we returned to base and a real party was expecting us. The staff debriefing, which revealed a faultless execution, bolstered our faith in the new craft and contributed considerably to introducing the use of helicopter gunships in general defense missions. The war in Lebanon was in fact the first testing ground for IDF helicopter gunships, which entered the campaign armed with a combination of combat doctrines developed in training and through operational guidelines borrowed from other armies. However, no one in the world had any significant experience in operating attack helicopters for their primary purpose, which is to stop and destroy armored troops. The use of the Cobras in Vietnam provided limited experience that had no bearing on their original designation and mission."

Col D. explained: "The issue of whether the helicopter gunship was capable of fulfilling its original purpose was not tested at all in the Peace for the Galilee campaign, in which we had to operate in a new configuration that was not representative of future operations. The campaign was basically geared to attack and the IDF did not go into containing maneuvers at any stage. The capability of the helicopter gunship to fulfill its primary and secondary missions was tested by the Air Force and allowed us to state that they can meet demands while preserving their high versatility.

"Helicopter gunships, which can hover over and land where the troops are and can be directly guided by the commanding officer requesting their aid, have no trouble operating in surprise battles and in battles that deviate from original plans, while providing coordinated support, something that airplanes cannot do because of danger in the arena. Such a mobile stopping force must be capable of instantly reaching any area of the front while teams prepare the terrain. Helicopter gunships can operate independently when called upon to hit an enemy position that ground forces cannot reach because of time, distance, and terrain limitations.

"In the 1983 war this operational principle was implemented with good results in a battle near Lake Qir'on. A mission coordinated with the armored unit commander determined that the most efficient support that the helicopter gunships could provide was to work independently along an axis stretching from Jabil Baruh to the lake itself, in the space in front of our troops' spearhead. The target involved hitting Syrian armored vehicles pulling back toward the north.

"The Israeli armored troops, which had eye contact with the tail end of the withdrawing Syrian column, could not flank them because of terrain conditions and low maneuverability. Helicopter gunships were summoned to do the job. As soon as the enemy coordinates were described, its forces were hit and destroyed quickly and efficiently."

After the IDF pulled out of Lebanon, the helicopters began to carry out secondary, rather than their primary, purposes, while adapting to the Lebanese arena.

One representative example of such operations came after the Maydun terrorist camp was taken by combined IDF action. Cobra and Defender helicopter gunships, armed with LAW missiles and Vulcan guns, entered the action area together with the ground forces, in the initial run. In the first stages, the helicopters escorted the troops while providing massive, coupled support. There was no firing in the beginning, and the action concentrated on interdiction and cover.

Toward dawn on 4 May 1988 the occupation of the terrorist camp began. Ground troops moving toward Maydun camp received close support from the helicopter gunships, which carried out pinpoint target ranging on terrorist positions and artillery posts scattered in the area.

Col M., commanding officer of the Cobra squadron that led the sortie, told us: "We entered close on the heels of the advancing forces. We fired on every type of target, beginning with isolated dugouts and houses, through armored personnel carriers, and ending with terrorists escaping from the area after the first fire exchanges.

"Fire sources that were sending massive artillery discharges toward our troops were quickly silenced by machinegun LAW missiles. More intensive fire than usual was directed at the helicopters. We spotted SA-7

(Strellas) missiles, various caliber anti-aircraft guns, and intensive light weapons fire.

"We positively identified the sources of fire. The terrorist forces were spread over a very large area and were hiding in groves and fortified posts. Close by there were also civilian sites, while Syrian forces were concentrated around the neighboring Mish'ara village.

"After some further advance, we were able to identify terrain details with greater certainty. We discovered strongholds and mortar guns, which were quickly destroyed. It was a very long battle day, in which the helicopter gunships launched more than 50 missiles toward dozens of targets and positions, and gunned hundreds of other targets in an operation that was half support and half attack."

It is very important that the helicopters be equipped with the means to allow them to hit sources threatening them before they can do their work. Helicopter ammunition has a long range and is both simple and very accurate—cable-controlled LAW missiles.

The helicopter gunship's speed permits it to quickly leave danger areas and to as quickly take action against the respective sources of danger. The advantage of attack helicopters over armored troops resides in their capability to immediately leave danger zones, remove themselves far away, then return to attack from different directions and sectors.

The helicopter gunship "fits" pilots like a glove. It is small, very agile, and its reactions can be described as "nervous." Correct and fast handling of the helicopter and its systems is a must for keeping the number of hits proportional to the number of attempts.

In the war in Lebanon the utilization of helicopter gunships was marked by novelty, uncertainty, and great circumspection. Although the helicopter gunships were used "sparingly," the experience of that war was important for the cooperation that the various corps learned to practice in joint battle.

Commanding officers of armored divisions were allocated helicopter gunships upon request and on short notice and learned how to make best use of the means of warfare at their disposal. The helicopters came from the outside as an independent unit, rather than as an additional element interfering with their units, and they went on to carry out other missions after doing their job in battle.

Restricted use and safe, gradual, hit-free introduction contributed to greater faith in the capability of the helicopters. The proof lies in that they were increasingly activated in the later stages of the war.

Educators Attempt To Bridge Gap Between Arabs and Jews

44230188 Tel Aviv DAVAR in Hebrew 28 Jul 89 p 8

[Article by Ya'el Fishbein: "They Want to Build a Bridge"]

[Text] Esther Orenstein and Dr Musa Khareini are senior consultants in the psychological advisory service of the Ministry of Education: she for the religious sector and he for the Arab sector. Not long ago, Esther initiated a special event, the first of its kind: a small group meeting of educational advisors from religious and Arab schools. The leader of the meeting was Musa, who is head of the department of educational consulting at the University of Haifa.

Anyone who has, over the last few years, followed the reactions within the religious sector to government Minister Yitzhaq Navon's policy of meetings on coexistence can appreciate how special this event was. The religious sector never openly declared its refusal to attend meetings with educators from both sectors, but in actuality they had never occurred. Against this background, there had been several bitter clashes between the leadership of the Ministry of Education and the former manager of the religious education branch, Ya'aqov Hadani.

Esther Orenstein's initiative was not related to the policy of the religious sector, but rather to her feeling that religious educators could not stand up against the reactions of hatred and violence. Holding discussions with professional Arab colleagues was the way she chose to express the pressing need to do something to halt the degeneration in relations between the two peoples and prevent bloodshed. Her religiosity does not hide her humanist values and respect for her fellow man. She supports the concept of a united Israel but is convinced that "they must speak with everyone who might be able to contribute to peace." The Arab people, in her opinion, have not reconciled the Jewish presence in Israel, and terrorist acts are an expression of this. This does not, in her eyes, justify cruelty and antiterrorist acts on the part of Jews. The loss of control and humanism "among us" shock her.

Musa Khareini supports a Palestinian state and fights for equality for Arab citizens in Israel. He is convinced that religious Jews are not capable of understanding the civil-Israeli face of the identity of Israeli Arabs, because of their belief in a religious, national, and state unity. He has met for many hours in his life with many Jews, and the new respect that has developed toward religious Jews fills him with optimism.

In another meeting that took place in Karmi'el in the Galilee, Esther and Musa tried for many long hours and without much success to once again find a way to bridge the gap between them, which is also the gap that exists between the two population sectors. There was no dramatic change, but they talked. By virtue of their professionalism, the conversation between them was not

insulting, despite differences of opinion. But there were questions that came up in full force: Who has the right and the bond to this country, who began the cycle of bloodshed and why has it not stopped, who wants to destroy whom and to what extent can peace and understanding between these peoples be taught?

Mideast Mentality

Musa is almost 50 years old. He was born in Acre and lives in Kefar Yasif. He is the seventh generation in Israel. Married, father of three, well spoken, enthusiastic, sometimes caustic, his flowing and sometimes interjectory speech is accompanied by hand waving and he exposes his true feelings readily.

Esther is a few years older than he. She was born in Jerusalem and is also the seventh generation in Israel. Very reserved, gracious, closed, she does not talk a lot, and is not willing to expose herself, but when she speaks, people listen.

With the openness of a person sure of her identity, she says: I like the Arab mentality. She likes the candor, the directness, their human caring and even the way they have of intruding into the life of the individual. Their need to know immediately who you are, where you come from, who your parents were and what you do, reminds her so much of the Jewish mentality. The level of the meeting is never relevant to the subject. You can go into a bank to check on an account and they will ask you where you bought the dress you are wearing.

This mentality has been with her from childhood—in her wanderings through the Mahane Yehuda marketplace with her Arabic-speaking mother; the mideastern dishes cooked by her grandmother; the soap peddlers who roamed through Jerusalem's neighborhoods. "I am comfortable with the Arab mentality. When I was abroad, I felt closer to the Arabs than to the American, French or German students. We share a similar mideastern mentality. It is something cultural. In England, they talk about history, France is hedonistic, Americans talk about the future, while we relate to other people all the time. It is a kind of caring."

The title Middle Eastern ignites a spark in Musa who sent a memo to the minister of education on the need to stress the affinity of regional peoples in the curriculum. In his opinion, the coarseness of the Israeli society stems from the same source as their caring and emotional involvement.

Similar Roots

In the history of both families—Orenstein and Khareini—there is an astoundingly similar line: The founding fathers arrived in Palestine and established their families at around the same time, in the 1830's and 1840's, and both settled in the Galilee. Khareini was a single man from Greece, an orthodox Christian who arrived in Acre from Greece for reasons which are not clear, married a Muslim wife, and settled in Kefar Yasif.

Musa's father was a civil servant for the British mandate prison system and wandered with his family throughout Palestine. In 1947, on the eve of the War of Independence, the family returned from Tul-Kerem to Kefar Yasif. Part of the family remained on the Jordanian side.

Rabbi Uri Vilbrinki, who changed his name to Orinstein-Orenstein, came from Salonim in Russia and settled in Tzefat with his wife, his elderly father and three daughters, to fulfill the commandment of settlement in the land of Israel. He lost eight of his eleven children in Palestine and left Zefat to settle in Hebron. In the 1880's the whole family moved to Jerusalem and from there dispersed throughout Palestine. Rabbi Uri's progeny spread throughout Palestine and made their mark on each sector of the renewed Hebrew society. Esther's uncle, Rabbi Orenstein, was the rabbi of the Western Wall and was killed along with his wife during the war for the Old City. A cousin, Ya'aqov Orenstein, was a member of the "United Rebels." Another old uncle, the rabbi and slaughterer of Gedera, Yosef Hayim Orenstein, made it a practice to send a congratulatory letter to each of his children when they enlisted in the IDF [Israel Defense Forces], congratulating them on being able to serve in the army. Rabbis Amram and Moshe Blau are related to the family. The former became a radical orthodox Jew, an anti-Zionist who established Neturay-Karta; the latter is among the heads of Agudat Israel. Most of the family members belonged to the Hagana, a few to LEHI [Israel Freedom Fighters] and ETZEL [the Irgun]. Today they can be found in every walk of Israeli society, from Gush Emunim to Young Guard kibbutzim. During the War for Independence, Esther enlisted in the IDF despite the fact that she was and still is very religious. Her brother also participated in the war; he fired on Jordanian tanks with the only bazooka that was in the hands of the defenders of Jerusalem and prayed in his heart that no one would be wounded. Later, he decided to become a cook in the IDF to avoid the moral problem integral to the killing of creatures made in God's image.

The family history came up following the question that is asked in almost every Judeo-Arab meeting: Where did you come from? Usually, the Arabs ask the question and the Jews take it as meaning that they are not quite right, or as a heavy hint that they are immigrants, only recently arrived, not children of "this land." Between Musa and Esther, it became apparent that this claim was not valid. Very quickly, it became clear that neither of them had supremacy over the other on this issue.

Musa raised the problem of emigration from Israel as proof of the problematic nature of the Jewish attachment to the land of Israel: "The Arab asks the Jew 'where do you come from' because he was here first. He is not coming to the Jew, the Jew is coming to him. The Jew who does not like Israel leaves. The Arab does not leave. The Jews have always said: 'We have no place to go' but we see that they have somewhere to go."

In Esther's eyes, emigration from Israel is not relevant to the attachment of the Jewish people to the land, about which she has no doubts. Her grandfather came to Palestine before Zionism existed. Zion existed in the heart of every Jew who three times a day prayed, "And our eyes will sing upon our return to Zion." The people of Israel, the land of Israel, and the Torah of Israel are three united threads. Musa's allusions to a weakening of this bond anger her: "Arabs also leave Israel. When I was in Philadelphia, I found many Arabs who had emigrated from Israel. There are simply no statistics on Arab emigration. You are trying to say that emigration from Israel proves that the Jews' bond to their land is growing weak, but I say that this bond exists. Emigration from Israel may be an educational failure, but it does not negate the attachment to the land."

Fear of Violence

Musa defines himself as a Palestinian and an Israeli, but this definition does not convince Esther. In her eyes there is one Arab people, hostile, that wants the Jews to disappear, as it is written in the Palestinian doctrine. "I very much understand your attachment to the Palestinians," says Esther. "I, too, have an attachment to any Jew because he is a Jew. You have an obligation toward and a comradeship with Arabs across the border more than toward Jews in Israel. You have a blood relation. If you had to save only one, an Israeli Jew or a Palestinian Arab, who would you save? It is clear to me that you would want to save the Arab because of the blood and historical links. There is something artificial about the fact that they reside in Nabulus and you are here. The War of Independence caused an abnormal situation whereby an Arab living in Nabulus is different from an Arab living in Nazareth. It is clear to me that you have deep ties and this does not anger me. Perhaps after we achieve peace things will change, but as long as there is hostility within the Arab population towards Jews living in this land, it will be very difficult to build trust or an open relationship.

"These are difficult times of animosity and violence. I am afraid today to wander through my own country. That depresses me. It drives me crazy. I cannot walk the Old City. Even on King David Street, at 5 in the afternoon, if a group of Arabs is walking toward me and I am alone, I am afraid. This fear has been with me for as long as I can remember. It is profound. I was born with the trauma of the disturbances in Hebron. My father had a good friend in Hebron and there was no end of disturbances in their house—hostility and fear of Arab vengeance. The stoning of Jews is not new to me. My father worked near Giv'at Shaul, and when he passed by Romema, they threw stones at him. When he returned from work alive, we all screamed with joy. When my father went to the Old City, he took a stick with him. When I was 15 years old and we went travelling in the Galilee, we took weapons with us because we were afraid of being attacked by Arabs. In 1958, when I took my class for a trip to Ma'ilya, they ran after us and threw stones.

"I think it is impossible to forget the past; we must understand it and take it into consideration as much as possible, without getting into superfluous arguments. I will never convince you, nor will you convince me, to whom this land belongs. I thought, in light of the situation that has developed over the last year or two, that we must talk. Each of us comes to the table with an investment. There is a family, personal, and group accumulation. Every war that took place here left its mark. Seven from my class fell in the War of Independence. Family members have been killed. Years passed before I could overcome that. The question is, what do you do with the experience. Do you close another door or do you say, let us think about the other side."

Against her fear stands his fear. Against her memories, his memories. The symmetry is almost perfect. Musa understands Esther's fears, but he thinks they are irrational. How can she think about destruction? Does she not know how strong Israel is? How can she even think about the unification of all the Arabs around the destruction of Israel? Who? The Syrians? The Iraqis? The Egyptians? Or perhaps she is thinking about Qadhafi. It is not rational. Israel is the strongest amongst the peoples of the region: "Does anyone tell the Jews they want to throw them out of Israel, as they tell the Arabs? There are Knesset members who openly talk about 'throwing them out,' 'transfer,' 'death to the Arabs.' That worries and frightens me. Today the situation in Israel is such that there is the threat of and thoughts about racism toward the Arabs. It is not just Kahana who is allowed to give a fanatic, racist speech in the middle of Jerusalem and who is allowed to demonstrate. I would like to see how the Jews would react if someone gave this kind of speech against them. Do you have any idea what anger, frustration, disappointment, lack of understanding, and threat this represents to my very existence. And Kahana is not alone; he receives support from others.

"In 1948, caravans of refugees streamed into my village, fleeing from neighboring villages. We were afraid we would be killed, or exiled, or slaughtered. We had heard about several incidents where the IDF had gone in and killed villagers. When the IDF came in, they gathered the men in the center of town. We were sure they would kill them. I remember my joy when they returned alive. Later there was the military administration, a reign of fear and degradation. I remember how I begged the governor to allow me to study in Yafo at the teachers seminary. I remember the humiliation when they used to take Arabs off buses for security checks. This humiliation has stayed with me until this day. In 1967, when I returned to Israel from abroad, they stripped me at Lod to conduct a search. This happens every time I come back to Israel. When my son finished high school he wanted to rent an apartment in Haifa but he could not because he is an Arab. A Holocaust survivor with a number tattooed on his arm agreed to rent him an apartment. The next day, in a telephone conversation, his wife asked to cancel the lease because the other tenants were opposed to an Arab living in the building. I

asked to speak with them and they refused. I cancelled the lease because the landlord was suffering from heart disease and also, I did not want my son to live in a hostile environment."

A Bond to the Land

Religion is not a barrier in the encounter between Musa and Esther. He understands the religious bond of the Jewish people to the land of Israel because the land is holy for all religions. His religiosity is not complex, it does not demand a rigid lifestyle as does that of religious Jews. She claims: "I do not think that I am very unusual. The fact that I am religious does not change the scope of the problem."

The problems start with the usurping Zionist movement which claims sovereignty over all of Israel and does not leave room for the Palestinians. The process of usurpation that began with the onset of Zionism continued with the settlement of the occupied territories. If Zionism were to revise its goals, reconcile itself with the fact that not every Jew wants to live in Israel, grant civil equality to the Arab minority in Israel and recognize the rights of the Palestinians to a country of their own—then there might be a chance for peace and coexistence, according to Musa.

Esther does not agree with the definition of Zionism as a usurping movement and she does not agree with dividing the land of Israel. In her mind, there is no West Bank, no occupied territories; there is Judaea and Samaria. This is one country, from the sea to the Jordan River, and there is no dividing it. "He who called the country Palestine wanted to deny the Jewish history of the land, as if the kings of Israel and Judah never lived here, and as if there was no Zion, no Jerusalem. I do not want borders within this country, nor cannons, nor violence. Any division of the land would sooner or later bring about a war. The economy demands that we live in cooperation. The borders must be open."

Her solution is for both peoples to live in a united Israel. There will be a Palestinian entity, elections, government, but not an army. The problem of Jewish settlement in Judaea and Samaria will be resolved somehow, in her opinion, and members of both population groups will be able to settle wherever they choose. Musa is shocked by her approach: "Arabs will be able to live in Tel Aviv?" She is not put off by such a possibility. Under peaceful conditions, this would not be threatening to anyone. Musa clarifies that the claim of sovereignty over all territories in the land of Israel does not allow for peace. In 1948 there was the problem of the refugees. Today there is the problem of Palestine. The occupied territories or the West Bank must be returned to the Palestinian people. Then the animosity will disappear. "The land is worthless without people. I have the greatest esteem for man, not for the land. Today we have given the land a higher value than we have ascribed to man. That leads to

irrationality and extremism. We have allowed extremism to rule us. We educate to hate, not to understand."

Despite the difficulties, they will say at the end of the meeting that they want to do something together. "Perhaps the dialogue will overshadow the hatred and the extremism," Esther says, quoting an Arab advisor. "Whether we like it or not, both sides have a mutual responsibility to survival itself in this country." Musa says that meetings of this sort "Keep me optimistic. They tell me to keep hoping."

KUWAIT

Significant Loans Given to 65 Countries

44040541 London AL-SHARQ AL-AWSAT
in Arabic 18 Aug 89 p 4

[Article by 'Abd al-Karim Kazim: "Kuwait Fund for Arab Economic Development in 28th Year; Director of Operations to AL-SHARQ AL-AWSAT: 65 Countries Benefited from 360 Loans Totaling 1.6 Billion Dinars"]

[Text] The Kuwait Fund for Arab Economic Development extended 360 loans totaling 1.6 billion dinars to 65 developing nations. Mr. Hisham al-Waqyan, the fund's director of operations, said in an interview with AL-SHARQ AL-AWSAT that in creating the fund, the Kuwaiti government's objective was to strengthen political and economic ties with the largest possible number of third world countries. Now that the fund is almost 28 years old, Kuwait has been able to realize positive and encouraging accomplishments. The fund benefited many developing nations in the East and the West. Several development projects were financed by the fund which was created in 1961, after Kuwait gained independence, in accordance with the wishes of the Emir of Kuwait, Shaykh Jabir al-Ahmad al-Jabir al-Sabah, who was then minister of finance. The founding of the fund was in response to the country's desire to extend aid and assistance to needy Arab countries and developing nations.

Al-Waqyan explained that the fund has many material and moral accomplishments, especially since it was created at a time when many developing nations were gaining freedom from imperialism and beginning the process of development. The fund was, therefore, endowed during that period with a unique experience in lending and offering economic and technical aid to the projects being financed. In this regard, he pointed out the creation of the Saudi Development Fund and the OPEC Fund for Development.

Said al-Waqyan: The Kuwaiti fund helped create many international, regional, and development institutions, and participated in the implementation of several development projects that were fruitful to the peoples of countries that benefited from fund loans and services.

The fund's director of operations emphasized that the fund's strategy is to extend assistance on the basis of humanitarian, social, and economic considerations with no political, or even economic, strings attached. It is different in that respect from European institutions whose funding objectives are frequently to move goods or stimulate the business of contractors. Those funds may also have political objectives that determine the nature of the loan to a large extent. The Kuwaiti fund offers financing through agreements with the beneficiary nations that incorporate special fund stipulations aiming at proper project implementation as planned in their economic and technical feasibility studies. The fund also aims at ensuring that the completed projects will be soundly operated in order to accomplish the benefits desired for the people of the beneficiary countries.

Mr. Hisham al-Waqyan emphasized that the fund has been, and still is, careful to give domestic and Arab contractors an opportunity to benefit from the implementation of its projects. That is why it began a dialogue with contractors some five years ago by advertising tenders in the various media without favoritism, allowing them to make good bids at attractive prices. This practice helps Kuwaiti contractors and consultants gain more experience especially since the fund stipulates that certain projects are to be carried out by subcontractors only. The government of Kuwait sometimes also stipulates that international contractors open their tender bids to participation by Kuwaiti or Arab contractors. It may also impose another condition aimed at facilitating the sales of domestic or Gulf products if available in good quality at attractive prices.

Al-Waqyan pointed out that loans to poor nations are considered very soft, flexible, and advantageous at interest rates of between 3 and 3.5 percent. The objective is to reduce the financial burden on the borrowing nations as much as possible. The fund was therefore able to collect the majority of loans totaling some 800 million dinars. Nonperforming debts, on the other hand, do not exceed 1 percent. This is very little in comparison with the 800 million dinars disbursed by the fund to several countries.

The fund's director of operations explained that it offers two classes of services—loans and technical assistance. The latter falls into two categories. The first is preliminary technical assistance which includes feasibility studies for planned projects. The second category is when the fund contracts with foreign consulting and service institutions to provide decisionmakers with suitable scenarios for project implementation. The fund participates with the recipient nations in all steps and stages of project implementation. An example is a stipulation that it approve tender documents, analyze offers, and look into any fundamental change in implementation that could have a long-range effect on the project.

Worth noting is that the fund is carrying out several projects in East Asia, especially in Indonesia and

Malaysia, and in the Pacific Rim and the western hemisphere. Third world countries are known to suffer most of the time from weak management and follow-through in many areas of development. It is to be expected, therefore, that some of the fund-financed projects will suffer delays or other technical problems, according to the fund's director of operations.

We at the fund are determined to continually follow-through on those projects in cooperation with the debtor governments in order to overcome frequently surmountable problems and complete the projects according to plan.

Fund assistance has been as high as 20 million dinars per project, excluding loans, according to figures released by the fund's Department of International Cooperation.

The Kuwait Fund has a total capital of some 2 billion Kuwaiti dinars.

LEBANON

Futility of Achieving Unified State Analyzed

44040496 Beirut AL-NAHAR AL-'ARABI AL-DUWALI in Arabic 12-18 Jun 89 pp 14, 15

[Text] There will be no elections for president of the republic and prime minister and no meetings after today of the parliament which began on 23 September 1988. However, Beirut—its Islamic and Christian halves—will have one government headed by General Michel 'Awn. It is necessary to avoid Palestinian fairy tales, the stage plays of the Arab organizations and the theatrical productions of the rejectionist states, which are an expression of one-upmanship in speaking of a "Palestinian state," Palestinian "national soil", and the withdrawal of Israel from "all occupied lands."

On the horizon are signs that Syrian forces will return to the place which Israel defined for them at Sufar 7 weeks ago. However, the return does not mean the entrance of legitimacy to Druze areas. These areas will remain, administratively and in terms of information [as published], in the care of the Socialist Party, and politically under Israeli supervision, because they are an inseparable part of the security of the Israeli, Druze Golan, and the northern security belt for the protection of the Galilee.

Political circles have called for concern with the change in the Western states's enthusiasm for elections and for these states to focus on the social aspects of the crisis. These circles refused to consider referral of the crisis to the Security Council to be an indication of the advent of a serious resolution on the withdrawal of foreign forces, stating that the legitimate authority was capable of starting reconstruction itself. They then found themselves obliged to be realistic and to look at referring the crisis to the Security Council and at any serious decision

which takes a first step in the long march toward the negotiating table designated for the reexamination of the "structure" of the republic.

They said that the French government, which, internationally, is backing and calling for the preservation of the republic, has become certain that the reconstruction of a unified state has become very difficult. They add that the French government recognizes that the continued presence of the Syrian regime and Israel in Lebanon is a major strategic goal of the U.S. Thus, the French government is calling for the liberation of Lebanon from foreign forces while acknowledging that liberation is not forthcoming with the American administration. If the French government were able to bring the crisis to the Security Council and obtain a resolution favoring the legitimate authority, the earnest implementation of such a resolution would be limited to the evacuation of the Syrian occupation army from West Beirut and from the suburb.

They stated that if the impossible occurs, namely the withdrawal of Syrian and Israeli forces from Lebanon, the legitimate authority would not be able to control the situation unless it is assisted by international forces possessing deterrent power. The U.S. prodded Israel in 1983 to adhere to its condition which linked the arrival of UN forces to the borders with the deployment of international forces north of the Litani River, thereby encouraging the Syrian regime to harden its position of rejecting the deployment of international forces north of the Litani. The excuse offered by the Syrian government arouses derision, inasmuch as, regarding Lebanon, the Syrian regime considered the deployment of international forces north of the Litani unacceptable militarily, politically and in terms of security, whereas regarding Syria, this regime has agreed to the presence of international forces on its territory and not on Syrian territory occupied by Israel 22 years ago. Syria renews this agreement every 6 months without damaging its military reputation, security standing, and political honor.

These political circles stated that the reconstruction of an independent, unified regime requires a political war against the U.S. and a military war against Israel and the Syrian regime.

They stated that the war waged by the U.S. against Lebanon through the Palestinian terrorist organizations, the terrorist Syrian regime and Israel almost crushed the foundations of the national structure which were established by the unified independence formula. If the impossible occurs and Syrian and Israeli forces withdraw, the Lebanese would not be able to reconstruct a national state. Despite the role being played by the Syrian and Israeli occupations in the destruction of the basic structure, "sectarian terrorism" enjoins a distinction between the evacuation of the occupation forces and the agreement of the Lebanese on a new formula for a unified state. When the Amal Movement calls for "reform," Hizballah calls for recognition of the right of the "majority" and the Druze party raises the slogan of

"replacement of the regime," which is being advocated by the Junblatists, their intended target is the Christian presence, which they would have return to the status of "a protected people." Every other interpretation of Amal's "reform," Hizballah's "majority" or the "change in regime" advocated by the Junblatists is hypocritical. When the leaders of these sectarian/terrorist structures talk of "political Maronitism" they mean "the Maronite regime" or the presidency of the republic or the Maronite political regime. The aforementioned political circles stated that the Shi'ites and the Sunnis want to resume national coexistence and an independent republic, but the terrorism of the Amal Movement, Hizballah, and Syrian intelligence prevents them from publicizing their position. The Druze comprise the only group which would separate from the unitary national structure. They form a "special" group which advocates joining Israel or establishing a special relationship with the Hebrew state. It is erroneous to believe that the evacuation of the Syrian and Israeli occupation armies would enable the factions to agree on the reconstruction of the central political regime. The evacuation of occupation forces is one thing, whereas the role of terrorist structures in expanding the domain of chaos and carrying out assassination operations is another. Our Druze citizen from al-Shuwayfat stated that the Junblatist Druze distinguish between Walid Bey Junblat and the chairman of the Socialist Party, and that the Junblatist Druze refuse to recognize the Socialist Party, but are dedicating their lives in defense of Walid Bey. With the force of arms, the Socialist Party claims representation of the Junblatist Druze.

They stated that the absence of Barri, Junblat, the Iranian and Lebanese Muslim clerics from Amal, the Socialist Party, and Hizballah, has brought about many changes, the foremost being an increase in the rate of extremism, one-upmanship, and resorting to terrorism to decide matters. The exit of the Syrian army does not mean the exit of the Syrian intelligence services, and one must not understand the withdrawal of Israeli forces as meaning the withdrawal of the intelligence services represented by the Mossad. The file on Lebanon is a file of international terrorist networks, which are called intelligence services and which supervise agents. Excepting three, four, or five states, no "sister" or "friendly" state has an interest in enabling the Lebanese to reconstruct a formula for political independence.

They stated that the Lebanese' doffing of their unity clothes is the logical result of the war which the U.S. declared against their country by means of Palestinian, Syrian and Israeli terrorists. They consider the evacuation of Palestinian refugees from Lebanon prior to the withdrawal of the Syrians and Israelis a condition for the success of any attempt to reconstruct a formula for independence. The U.S. uses the Palestinian terrorist organizations to destroy Lebanon, then it uses the Syrian terrorist regime to continue the destruction before entrusting Israeli terrorism with following up on the details and precision work. The terrorist Syrian regime

and the Mosad used the Palestinian terrorist organizations. The disease afflicting Lebanon was caused by a Palestinian microbe. Then, the U.S. transformed it into a Syrian-Iranian-Israeli virus. The Lebanese cannot expel the Palestinians from their country due to general American, Israeli, Islamic, and Lebanese-Islamic reasons. As long as the Palestinian refugees are in Lebanon, it will be impossible for the Lebanese—excepting the Druze who are resolved to separate, join Israel or establish a special relation with it—to reconstruct a central, unified state.

These political circles said: In addition to the terrorist role of the Palestinians in the destruction of the state, there are the Lebanese whose terrorist practices have enabled them to established a state in the entire region.

The call of the clerics and the leaders of the religious-security-political structures for a merge into a central, independent state, is not the easy matter which some of them imagine it to be. When a cleric or leader is called upon to relinquish a house, or the equivalent of a castle, (an undreamed of low life), and the office of a head of state, such a cleric or leader prefers death to changing over to the "new model." The clerics and the leaders of the religious-terrorist-political structures exercise the mandates of heads of states in their domains. Husni al-Za'im executed Sulayman al-Murshid to control a position in the areas of al-Nusriyin. The crisis in Lebanon is greater than a crisis between Husni al-Za'im and Sulayman al-Murshid. The crisis in Lebanon is between the U.S. and the Christians, between the great majority of Lebanese and the Palestinians, between the Lebanese and the desire of the Druze to break away, join the Jews or establish a special relationship with the Jews, and between the Christians and the Syrian regime. The crisis has become a "crisis without borders," a bottomless well, an unknown cave. This dimension of the crisis makes it necessary to distinguish between the possible impossibility, which is represented by the exit of the occupation armies, and the absolutely impossible, which is reflected by the difficulty of Lebanon once again becoming an independent state. The return of Lebanon as an independent, unified state is a concept which arouses the fright of the Arabs, the wrath of the U.S., and the rancor of Israel. After 14 years of a war in which the use of human organizations, the weapons in circulation and the terrorism which has been promoted have been unprecedented, and the reconstruction of an independent regime in Lebanon is a challenge requiring historical figures of the finest quality.

Bakhus, Mazbudi Discuss Chamber of Deputies, Tripartite Accord

44040539 Dubayy AL-BAYAN in Arabic 26 Jul 89 p 14

[Interview With Lebanese Deputies August Bakhus and Dr Zaki Mazbudi by Muwaffaq Madani: "AL-BAYAN Interviews Two Deputies From Islamic Meeting and Maronite Grouping on Role of Lebanese Chamber of Deputies in Keeping up With Tripartite Committee's

Work; Peace Efforts Are Captive of Lebanon's Cycle of Violence; Security Explosion Has Torpedoed Idea of Parliamentary Dialogue Outside Lebanon; Bakhus: Reform Is no Problem and We Can Accomplish It in Hours; Mazbudi: We Do not Agree to Have Lebanon Placed on Peace Conference's Dissection Table"; first five paragraphs are AL-BAYAN introduction; date and place not given]

[Text] The security explosion that has been escalating for days has restored Lebanon to the cycle of persistent violence that has been going on for 4 months without any noticeable break. This means that the security issue, embodied in the mutual blockades imposed on the various Lebanese provinces—despite lifting the land blockades by opening the crossing points between the two parts of Beirut—constitute an insurmountable obstacle facing the ceaseless efforts being made by the Arab Tripartite Committee which is trying to overcome these extensive security difficulties in Lebanon so as to move toward a solution to the Lebanese crisis by inviting the Lebanese Chamber of Deputies to convene outside Lebanon in order to draft a parliamentary agreement on political reform.

The Arab Tripartite Committee does not wish to interfere in drafting a parliamentary agreement that is the subject of secret discussion between Lebanese Chamber of Deputies Speaker Husayn al-Husayni and Maronite Patriarch Nasrallah Sufayr who have held two meetings so far, the first at the Vatican, and the second at the Maronite Patriarchate's summer headquarters in al-Diman, North Lebanon. The committee will leave this task to the Lebanese deputies themselves.

Meanwhile, East Beirut sources have charged that the meeting of the leaders of the pro-Syria nationalist, Islamic, and Palestinian parties in Tehran is tantamount to a political escalation countering the Arab Tripartite Committee's efforts, and that consequently, it recreates tense conditions under the umbrella of the naval blockade imposed on East Beirut.

These sources believe that the military explosion has prevented Lakhdar Ibrahim, the Arab Committee's envoy, from accomplishing either of the two following things. First, exerting efforts to entrench the cease-fire, lifting the blockades, and inviting the Lebanese Chamber of Deputies to meet abroad. Second, inviting the Lebanese Chamber of Deputies to meet outside Lebanon to pave the way for lifting the blockades imposed on the various parts of Lebanon.

It is the observers' opinion that the Arab Tripartite Committee faces a complex security problem in Lebanon, but that it will have an easier job launching the political process which the Arab Committee has confined to the Lebanese Chamber of Deputies. AL-BAYAN has raised the latest developments in the Lebanese situation, the fate of the Arab Tripartite Committee's efforts, and the possibility that the Lebanese Chamber of Deputies, which has been inactive since the summer of

1988, will keep up pace with the Arab Tripartite Committee's efforts in interviews with Deputy August Bakhus, spokesman of the Independent Maronite Deputies Bloc, and Deputy Dr Zaki al-Mazbudi, a member of the Islamic Meeting.

I opened the interview with Deputy August Bakhus with the following question:

[AL-BAYAN] Do you think that the Arab Tripartite Committee envoy can solve the problems that encountered his mission in Lebanon, especially in the wake of his latest visit?

[Bakhus] We have not yet been acquainted with the new proposal which Lakhdar Ibrahim is supposed to carry. Some of our colleagues who met with Ibrahim recently have put us in the atmosphere of the proposal. But the full picture has not yet been revealed to us. We hope that Ibrahim's mission will be crystallized in the next few days, so that we may express a clear opinion on it. Regrettably, it occurs to us that there is no final solution or, rather, that the solutions he has proposed have not received the response we had expected. God willing, the future will belie us. To date, the parties concerned are divided into two groups: An optimistic group and a pessimistic group. We hope that we will follow the optimistic path. But so far, there is nothing tangible on which we can build a firm opinion.

[AL-BAYAN] Regarding Ibrahim's mission, are you in the optimistic or pessimistic group?

[Bakhus] I am optimistic by nature, because I don't imagine that God created this universe so that human beings can devour each other. I cannot imagine that we will not reach a solution as long as the major powers and all the Arab countries are making a sincere effort to rescue us.

[AL-BAYAN] Do you expect a new security step that will lead to completely opening the crossing points and to reviving Beirut Airport?

[Bakhus] All these issues are wrapped in an onion skin. There is no call for all these disputes. If Ibrahim succeeds in his mission, and if General 'Awn and the organizations representing West Beirut accept his proposal, then it is certain that these obstacles will inevitably be surmounted, the airport and the crossing points will be reopened, and the blockade will be lifted. This is something that surprises us greatly. As long as God has given us understanding and logic, then the language of love and dialogue is the most beneficial. Why are we hitting each other with bombs? After 14 years, the Lebanese must learn that a gentle word has a greater impact than a gun. Guns have brought us no result. This is a strange war that is unprecedented in history. We have gone to numerous war zones. We once went to attend an Arab parliamentary conference in Baghdad. The war was going on at the borders between the Iraqis and the Iranians. But in the capital, we did not feel that there was a war. The same applies to the rest of the

world, whereas here in Lebanon, all parts are afflicted by the war, even though our area is small. The problem is that this war is a dirty war. If we count the victims killed in this war, we would find that 99 percent of them are innocent victims, women and children, who had nothing to do with what has been going on. It is impermissible that we should persist, impermissible. As long as we have sought arbitration from the major powers and from the Arabs, then the blockade should be lifted, the past conditions should be restored, and we should carry on with a rational and logical dialogue, because this is the only way to save our country. Otherwise, the war will drag on, a large part of our country will be destroyed, and ¾ of its population will emigrate. Who will then feud with whom when the Lebanese emigrate?

[AL-BAYAN] Does the Arab Tripartite Committee continue to offer open hope to the Lebanese?

[Bakhus] Certainly, even though it is not the only hope. As long as one has vision and has relations, there is another hope. But the Arab Tripartite Committee is the important hope, considering that it is supported by the major powers and by all the Arab countries. If this committee fails to achieve a result, then one cannot say farewell to this world and to whoever is in it. This is unreasonable and unimaginable.

[AL-BAYAN] What is your role as deputies now that the committee has insisted on giving you a role in the decisive phase of solving the Lebanese crisis?

[Bakhus] As soon as we, the deputies, are given an opportunity to meet, and as soon as the obstacles facing us are eliminated, we will meet. My proof of this is that whenever we managed to meet throughout the 14 years, we, the Lebanese Chamber of Deputies, did not disagree on any issue, not even on the fateful issues. I am a player, not a spectator. I am chairman of the Administration and Justice Committee which sifts all plans, big and small. I truly say and assert that we did not disagree on any plan because we engage in give and take. Our positions were nearly unanimous. When the radicals here and there realized that the deputies are the mainstay to the solution, they blocked the deputies' role. Throughout the 14 years, there were probably 10 months during which we had the opportunity to meet calmly. In that period, the parliamentary committees met in the chamber and worked like beehives, producing results. It is certain that we did not act independently but resolved to consult with all the leaderships. Because there was no possibility of holding parliamentary elections on schedule, we were compelled to extend our term. This is a legitimate measure that has been precedented in other countries during war. However, we realized that there were important capabilities and notables outside the Chamber. We dealt with them and sought their opinion and then decided on the right position.

I believe that as soon as the Lebanese Chamber of Deputies reconvenes, all difficulties will be surmounted easily, and we will settle this issue.

[AL-BAYAN] The Arab Tripartite Committee has invited the Lebanese deputies to meet outside Lebanon. Will they accept this invitation?

[Bakhus] This is an idea that has been proposed but not an invitation addressed to any of us officially. One of the Arab Tripartite Committee's resolutions calls for inviting the deputies to meet abroad for consultation. I have personally expressed the opinion that if the Chamber of Deputies is to meet officially and issue legal resolutions, then this should be done at Mansur Palace. But if we are invited for consultation, as notables and spiritual leaders have been invited to do, then certainly neither I nor others have any objection.

This can be done through parliamentary meetings and consultations, and we may consult on specific issues. But the issues on which we agree outside Lebanon must be crystallized here in Lebanon, and resolutions must be issued on them. In any case, no resolutions can be made before the state's legitimate institutions are fully restored. We must elect the Chamber of Deputies speaker, the chamber office, and then the president of the republic so that the three legislative authorities may be restored, and so that our democracy may be balanced between three authorities: the president of the republic, the council of ministers, and the Chamber of Deputies. If this is not done, nothing will be accomplished.

The distinguishing feature of Lebanon's democracy is that no authority may predominate another authority. If the Chamber of Deputies dominates the government, then this is called parliamentary domination. It happened in the Third French Republic, from which we learned that during a certain period of time, the governments were so weak that they fell every 6 or 7 months. The Chamber of Deputies was predominant, and it overwhelmed the governments and the president of the republic. This was called parliamentary domination. The French were compelled to amend their constitution. The Fourth and Fifth French Republics followed whereas we have continued to be enclosed within the Third Republic. This is the reason why some have demanded, and we support their demand, amendment of the Constitution. We may not remain frozen because states develop with time and with the development of needs.

[AL-BAYAN] What was the reason for canceling the Christian deputies meeting in Bakarki after the meeting had been announced?

[Bakhus] We have explained the reason simply. In our latest meetings and deliberations, we found that the climate was ripe for us, the deputies, to meet with each other. We consider Bakarki a national edifice for all. We had previously met in Bakarki, and I proposed the idea to the patriarch who welcomed it. We set a date for the meeting and announced it in the media to find out the colleagues' reactions. There were varied reactions, one of which asked: Why don't we meet at Mansur Palace and why don't we wait for the outcome of Arab Committee

Envoy Lakhdar Ibrahim's consultations? The predominant opinion was that we should delay a bit to await the outcome of the Arab Committee envoy's talks, and that we should then decide whether to meet in Bkarki or at Mansur Palace, as long as there is nothing to prevent a meeting at Mansur Palace. So we asked the patriarch to wait a little and he agreed.

[AL-BAYAN] Will you, as deputies, meet at the Chamber of Deputies premises in Mansur Palace after a long absence?

[Bakhus] Considering that our meetings are normally held at Mansur Palace, and as long as there is no security restriction to prevent us, we will meet there. What will help us is opening the crossing points and improving the security conditions. If the crossing points are opened while artillery shells continue to fall within the vicinity of Mansur Palace, it will be impossible for us to meet at the Chamber of Deputies. It is our wish to meet at Mansur Palace. God willing, this matter will be settled in the near future, especially since we, as Christian deputies, have been, regrettably, meeting in Bakarki. There are non-Christian deputies who live here, and there are deputies from West Beirut who are prepared to participate with us. So the most appropriate thing is to return to Mansur Palace.

[AL-BAYAN] Do you think that the knot encountering a meeting of East and West Beirut deputies at Mansur Palace is still present?

[Bakhus] Not at all. There has been no knot in the first place. When Speaker Husayn al-Husayni considered inviting us to the old Chamber of Deputies premises in al-Najmah Square, the factor dissuading him was a security factor. If the security conditions subside, and if normalcy is restored to the situation, then al-Najmah Square is our main and fundamental center. But Speaker al-Husayni has no objection at present to returning to Mansur Palace, if it is easier for the deputies to get there. We meet with each other constantly. I repeat that the obstacle does not emanate from us, but from others. As deputies, nobody can exploit us. Our tragedy is that we are players, not spectators, and there is a difference between player and spectator. The more involved the player, the more exposed to criticism he is. This is the nature of the game. However, the mistakes we make—and we are human beings—are insignificant in comparison with the mistakes of others. This is a modest opinion.

[AL-BAYAN] As Lebanese deputies, are you free in your positions?

[Bakhus] To a degree, with God's will. The experiences show that we have been subjected to sweeping popular wrath, especially in East Beirut. We have maintained our positions and confronted the wrath. We read history. Experience shows that in 1936, 400,000 people demonstrated in France against the deputies, and attacked the Chamber of Deputies. The deputies fled through windows while the demonstrators were shouting: Down with

the criminals, and so forth. When the people stage an uprising, they make grave mistakes. Forty days after this uprising against the deputies, the demonstrators marched again. But this time, they carried the deputies on their shoulders. We are aware that our oppressed and suppressed people need to vent their anger at those who are closest to them.

Demonstrations were staged against us in East Beirut. We stood fast and endured the demonstrations patiently, taking them with goodwill and love. Contacts were then resumed between us and the popular organizations, and we believe that the picture is different now. We did not back down on our viewpoint and we maintained our position. The pressure we encountered did not change the course of our thinking or our procession.

[AL-BAYAN] What is your assessment of Speaker Husayn al-Husayni's meetings with the Maronite patriarch at the Vatican and in al-Rimanah?

[Bakhus] We took part in arranging these meetings in response to the wish of Speaker al-Husayni. We conveyed the idea and prepared for the meeting which has taken place and whose outcome has not been revealed to us. But the patriarch and al-Husayni have been pleased and satisfied with the meeting.

[AL-BAYAN] Is the Lebanese crisis on its way to an imminent solution?

[Bakhus] I believe in this, and I am surprised that the solution has been late in coming. I also believe that those obstructing the solution will ultimately succumb to the reality, because there is no reason for their obstructive effort. I personally wonder: What is the reason? Is it the reforms? I assert that the agreement on the reform process will take no more than 3 or 4 hours. As chairman of the Administration and Justice Committee, who is supposed to take part in all the reform issues, I have appealed to all the notables and asked them that each faction submit its proposals so that we may sift through these proposals, and may take all positions and opinions into account. But ultimately, we are the ones who will make the decision. There is no obstacle that cannot be surmounted. I recall here that the Muslim leaders submitted their final reform demands nearly 2 years ago. We, as the Independent Maronite Bloc, met with Speaker Husayn al-Husayni twice, each meeting lasting 2 hours. As official spokesman, I then announced that we had agreed on nearly 90 percent. I believe that there is nothing new, except for some slight modifications. We don't know what is the objective behind using the reforms as a pretext for maintaining the status quo? These countries are exploiting us and using us as a captive for issues that go beyond our country's borders: the Palestinian issue, the consequences of the Iraq-Iran war, and inter-Arab issues. Our tragedy in Lebanon is that we are paying the tax for all the Arabs. We thank them for their efforts to end Lebanon's crisis. But I still

believe that these efforts are timid, considering that we have been facing more destruction for more than 1 and ½ months.

[AL-BAYAN] Meaning that the Arab Committee is moving slowly?

[Bakhus] Yes, it is still slow because an ember burns only where it falls. We feel that it is slow because we are the ones being lashed while others count the lashes. This is impermissible. Victims fall every day. If the crossing points were open, and if the Lebanese could emigrate, they would. Thirty percent of the Lebanese are abroad, not to mention those who have left since the start of the events. It is impermissible. Lebanon will be deprived of its population. Those who emigrate to the Arab countries and Africa will return, but those who emigrate to the United States, Canada, and Australia will be (captivated) by these societies. This is a crime because Lebanon has a role among the Arab countries. We are a country of congruence and we, before others, have been the bearers of the banner of Arabism. Why is this injustice inflicted on us? It must be ended.

[AL-BAYAN] What is your opinion of the statement issued by Presidents Mikhail Gorbachev and Francois Mitterand in Paris?

[Bakhus] It is one of many statements. They all express their sympathy for us. But sympathy alone, if not coupled with something practical, is not enough. Thousands of envoys have come to us in Lebanon, and thousands of accords have been reached on our situation. But these accords cannot be cashed. What result have they produced so far? What makes us dizzy is that for the first time in modern history the United States, Russia, France, the European countries, and all the Arab countries agree to make an effort to rescue us, and yet we find ourselves running in place. How can it be so? I don't understand this secret. Nobody can lift the nightmare of this secret from our shoulders.

At the same time, AL-BAYAN conducted the following interview with Beirut Deputy Dr Zaki al-Mazbudi, from the Islamic Grouping, on the projected developments which revolve around the Lebanese Chamber of Deputies:

[AL-BAYAN] What point has the Arab Tripartite Committee reached?

[Mazbudi] We have all welcomed the Tripartite Committee, supported its steps, and blessed its work. We have heard the latest statement issued by the (Oran) summit in which the Arab Committee reaffirmed its definite and irrevocable determination to carry on with its work until it achieves the objective for which it was created. Therefore, we say that the complaint, if there is one, should be addressed to the parties to the conflict who cling to their positions intransigently, and who give the committee no opportunity to carry on with its work promptly and with steps that are more compatible with the popular desire we hear expressed every day.

[AL-BAYAN] If the Arab Tripartite Committee fails in its mission, what future will Lebanon have?

[Mazbudi] I personally do not want to hear the word "failure" because it worries and scares me. It also plants terror in the hearts of all the Lebanese circles. Moreover, it undermines the Arabs who have been involved in the Casablanca summit and all the Tripartite Committee members—King Hassan II, King Fahd ibn 'Abd-al-'Aziz, and Algerian President Chadli Bendjedid—who have been working ceaselessly to rescue Lebanon.

The fact is that should there be failure, God forbid, it will be in the interest of those lurking for us, those who have been ceaselessly pushing Lebanon toward the abyss, and those who are dispatching us toward internationalization, i.e. toward the table on which Lebanon will be placed as an innocent lamb before beasts of prey, so that they may share its flesh in a so-called international peace conference. We urge every Lebanese not to think of Lebanon's fate should Lebanon go to internationalization. We want to go to the international peace conference as a sovereign state which has its own opinion and position.

If the peace desired from the international conference is a peace based on the view that Lebanon is powerless and that it will be the subject of bargaining, then we are required to abandon this path as of this moment, and not to agree to any peace conference unless we guarantee in advance that it will be fair to us, and that we will have the final say in it.

[AL-BAYAN] What is your opinion of the Arab Tripartite Committee's call for holding a parliamentary meeting outside Lebanon? Will it lead to a positive outcome?

[Mazbudi] I wish the call inviting the deputies to meet outside Lebanon as the guests of an Arab country, especially one of the member countries of the Tripartite Committee, had not taken this unobjective and negative turn, because we see in the call an honest and sincere desire to help the Lebanese overcome their ordeal. Why should the deputies, who cannot meet in their country, convene abroad, especially since they are not invited to a Chamber of Deputies meeting, but as individuals who meet to consult and deliberate on the charter which they are supposed to draft in order to secure true national reconciliation—a charter acceptable to all the sincere factions and not, of course, to those who cling to their demands intransigently, and who will not swerve from what they consider to be a gained right? The truth is that the deputies wish to meet. If it is possible to meet inside Lebanon then let it be so, provided that the meeting is guaranteed freedom. A meeting without freedom is futile. We had a bitter experience in this regard when we met frequently at the Chamber of Deputies as deputies from the Islamic Meeting, from the Independent Maronite Deputies Bloc, and from other groups. We issued statements which pleased the factions in all the areas, but not those who set high ceilings for their demands. We

were unable to complete the march, because the Chamber of Deputies was shelled prior to every meeting. Those who are now demanding that we meet to draft a conciliatory parliamentary charter are the ones who prevented us from continuing our meetings and accomplishing what we had wished to accomplish.

If the deputies can begin inside Lebanon, then welcome. We will thank the Arab countries that have expressed their wish to host us, and we will tell them: Lebanon is the country of freedom and freedom has become available and the meeting possible, so thank you. If this meeting is not possible, then why would they object? I don't understand why they would object, especially since they have made it clear that the meeting will be a meeting among the deputies, and not a meeting of the Chamber of Deputies to draft a plan. This is what Speaker Husayn al-Husayni advocated. When we get the chance to meet in the chamber, we will discuss this agreed plan and put it in its final form to be presented to the Chamber of Deputies for approval. This is possible, keeping in mind that convening the Chamber of Deputies in cases of emergency is not in violation of the Constitution, considering that the rule of the law is that there can be no decision without a provision. If we examine the Constitution, we find that article 31 stipulates that termination of the Chamber of Deputies is illegal, unless the chamber is summoned to hold an extraordinary session in accordance with the Constitution. We, as the Chamber of Deputies, do not wish to meet outside Lebanon, because such a meeting would be inappropriate for us as Lebanese and for Lebanon in general. It is better to hold the meeting inside Lebanon. As for consultation, we can meet anywhere. What is important is that we meet to agree on a new formula. We hope that this is possible, and that the parties to the conflict will allow us to meet in Lebanon, provided that we are not challenged by artillery shells.

[AL-BAYAN] Has Speaker Husayn al-Husayni put you in the atmosphere of the meeting he had with Maronite Patriarch Nasrallah Sufayr in the Vatican?

[Mazbudi] The fact is that we have not met with Speaker al-Husayni since his return from the Vatican, and we have not been acquainted with the discussions he had with the patriarch. Their meeting will certainly serve Lebanon's interest. We can imagine that the dialogue between the two focused on the common denominators, which must be the basis for the national conciliation charter on which the deputies will decide, and which will be subsequently debated by the entire Chamber of Deputies. We greatly hope that these meetings between the political and spiritual leaderships will continue, considering that they bring the viewpoints closer to each other.

[AL-BAYAN] Do you hold contacts with your colleagues in East Beirut to keep up pace with the Arab movement?

[Mazbudi] Contacts between us and our colleagues in East Beirut have not ceased. We used to communicate at meetings that were held in the Chamber of Deputies. When obstacles were placed in our way, we resorted to

other means, communicating, holding meetings, and developing agreement on certain points by telephone. When telephone communications were severed and we could no longer communicate without the censorship interrupting our calls, we took every opportunity to move from one section to the other to meet individually. This is what we do now while waiting for the obstacles to be eliminated, keeping in mind that whenever parliamentary or political circles meet, they issue resounding demands calling for restoring the parliamentary role to the arena because it is an essential and influential role. Neither this role nor the deputies should be absent from what is happening. This absence is what Lebanon's enemies want, of course. As for the Lebanese, they all want their deputies to resume their meeting, and to perform their role in this fateful and historic phase. This is what the Tripartite Committee members recently expressed. In one of its resolutions, the Casablanca summit also expressed this wish, explicitly urging the deputies to meet. We hope that this appeal will receive a response from those who are on the ground and who have been working ceaselessly to exclude any effort, including an effort by the deputies, from playing any part in the reconciliation issue and in rescuing Lebanon and, consequently, in restoring Lebanon to its past days when all the Lebanese enjoyed prosperity and abundance.

[AL-BAYAN] What is your interpretation of the security escalation that has surfaced recently?

[Mazbudi] There is no doubt that the Lebanese are creative in everything, even in destructive acts. The parties to the conflict in the arena are employing the most skillful means developed by the art of negotiation, especially under conditions such as the conditions prevailing in our country. Any meeting held with our Arab brothers, the goodwill mediators, especially with the Arab Committee's envoys, must be preceded by an element which takes one form or another, even the form of violence, to improve the negotiator's position. Another form employed at a subsequent phase is to raise the demand ceiling. When one of these envoys meets with one of the factions to discuss its demands, the faction raises its demands to 100 instead of 10, considering that the demands are subject to bargaining and that the faction has to later cede some of its demands to give the impression that it seeks Lebanon's welfare, keeping in mind that its demands are really 10. If we want to achieve results for Lebanon, then the faction has to sacrifice and to cede some of its demands! We have a single demand under which fall all the demands, namely full equality in all spheres among the Lebanese in all areas without discrimination between one Lebanese and another so that Lebanon may become the homeland of all. We are required to abolish sectarianism immediately so that all people may be equal, and so that only nonsectarian people who are proven to be nonsectarian by their word and deed, by the party to which they belong and by the positions they take may assume the power. We in Lebanon do not want sectarianism to rule us.

MOROCCO

Mine Workers Complain of Harsh Transfer Policy

45040475 Rabat AL-'ALAM in Arabic 10 Aug 89 p 3

[Article: "Morocco's Mines: Cadres and Workers Address Complaint to Royal Court"]

[Text] The talk about the Moroccan Mines Company issue continues to hold the national public opinion's attention by virtue of the developments it is undergoing. The issue would not have taken these directions were it not for the officials' intransigent defiance of the sincere national resolve to reform matters and to do justice to the arms that have spent their youth serving the national economy in Morocco's mines. But the officials have chosen for themselves a different route in the process of setting matters aright—a route that basically serves the serious violations in our country's mining sector. In this context, the officials decided to abolish the Morocco Mines Directorate's social center, to transfer 120 workers and cadres to Jeradat, to implement a precise strategy for the dismissal of 2,000 mine workers and to form a cell to manage Morocco's mines. When announcing the idea, the minister of energy and mines said that this cell would not exceed 5 cadres in number and that the social center would be sold to the Ministry of Tourism. Before embarking on these steps, the agency concerned rushed to relieve a number of mine management officials just to absolve them of any consequences. The cadres and the workers continue to be the only side that pays the cost of the mistakes and violations of others. But as it has been made evident to the national public opinion through our followup on this dossier, these cadres and workers, supported by the General Federation of Moroccan Workers and by the national press, have absolutely refused to obey the instructions of the concealed fingers.

After the long and bitter struggles the workers and cadres have recently waged against unjust decisions and after the irresponsible violations aimed at the workers, the officials have crowned their defiance by denying the employees their monthly wages, with suddenly closing the administration's main offices to them, and with threats and inducement—even with efforts to tempt some of the cadres and workers. But this policy has borne no fruit, and the cadres and workers have continued to cling to their right to reject. They have embodied this rejection in various ways and forms.

In light of the other side's intransigence, the cadres and workers have addressed an open message to the prime minister and cables to various government officials. We have also learned that they have sent to the Royal Court a complaint which says in part: "Jeradat Mine was discovered in 1927 and its exploitation did not begin until 1932 when 67 percent of the mine capital was privately owned. In the 1960's, the deficit rose to such a degree that the government was compelled to intervene.

In 1972, the Mineral Research and Partnerships Office acquired 98 percent of the company's capital. Consequently, it became the sole manager of the North Africa Mines. In 1975, the necessities of work dictated opening a social center for the company in Rabat. These necessities were embodied in the following:

- "The unfeasibility of using the shift system in the mine.
- "The need to recruit financial capabilities unavailable in Oujda' Province and to establish contacts with the banking institutions, trade attaches and diplomatic missions.
- "The need to facilitate the task of delivering supplies to the mine, of seeking resources and of bringing the management closer to the companies that deal with Morocco's mines. In 1981, the Mineral Research and Partnerships Office appointed a governor and a general manager of the mine from among its ranks.

"Since then, the two managers have been implementing an annual investment program of more than 120 million dirhams to produce one million tons of coal in 1988. This is a spontaneous and off-the-cuff program that contradicts all of the mine's technical givens, and that does not pay any attention to the social aspect.

"The accumulated operational deficit amounted to 275 million dirhams in 1988, compared to 96 million dirhams in 1981. The company's indebtedness amounted to 755 million dirhams in 1988, compared to 188 million dirhams in 1981.

"As soon as the latest strike ended, the Mineral Research and Partnerships Office changed the company managers, transferring the old managers to the office and appointing a new manager for Jeradat Mine. As for the social center, no officer was appointed to it officially, thus creating indescribable annoyance and chaos."

The complaint added: "The General Federation of Moroccan Workers has met with the minister of energy and minerals and with the officials in charge of the Mineral Research and Partnerships Office.

"At this meeting, the minister noted that a cell of 5 individuals will remain in Rabat, that the other employees will be transferred to Jeradat and that whoever fails to report to Jeradat will be considered a resignee. The minister said that the date for the transfer of the first group was around the beginning of June 1989.

"The transfer decisions setting 15 May 1989 as the date for reporting to Jeradat were sent by mail and have not been received yet.

"At the meeting, the minister was asked to postpone to the end of the school year the date of reporting to Jeradat for those wishing such postponement, as some other national institutions do, out of consideration for simple social and humanitarian circumstances, such as the children's schooling and the spouse's job.

"We believe that it is beneficial to remind your excellency that the ministerial committee entrusted with restructuring Morocco's mines has recommended reducing the number of company workers with incentives for voluntary retirement, and by establishing a compensation system similar to systems embraced by other institutions in the same economic sector. While submitting this complaint to your excellency, we appeal to you to convey to the royal court our attachment to the glorious 'Alawite throne. We beg your excellency to appeal on our behalf to his majesty the prince of the faithful to view with approval our request to stay in his kingdom's capital and to have the (Moroccan Mines) Company compensate the workers who wish to resign."

QATAR

New Generation Assumes Ruling Responsibilities

44040530 London AL-TADAMUN in Arabic
31 Jul 89 p 17

[Text] For the first time in 19 years the government of Qatar has been restructured. The government has customarily been headed by the emir of Qatar Shaykh Khalifah Ibn-Hamad Al Thani since he was crown prince before independence. He became emir on the eve of independence, and he continued on as prime minister. On Tuesday, August 19 1989, that is, just after government departments resumed their regular hours after the holiday of the blessed 'Id al-Adha, the emir issued a decree calling for the government to be restructured. That came as no surprise to many, since Qatari councils had been discussing news of the formation for about 2 months, whereupon many of Qatar's influential personalities came to agree that there should be a new cabinet, which has been called the youth cabinet.

Observers in Doha see the new formation as a turning point in the administration of government in Qatar since independence. They also consider it the most important change in the cabinet structure to which eleven new ministers have come, all of whom are young men who received their government posts because they were qualified for them.

It may be noted that the ruling family (Al Thani) kept eight principle portfolios in the government, while the seven other portfolios were distributed to qualified people in the country who have the expertise that made them right for these posts.

It may be noted in the new formation that the Qatari crown prince, Shaykh Hamad Ibn-Khalifah Al Thani (the son of the emir) kept the Ministry of Defense portfolio, which he had first received when he was appointed crown prince in 1977. The emir's second son, Shaykh 'Abd-al-'Aziz Ibn-Khalifah, also kept the Ministry of Finance and Petroleum portfolio, because of the importance of the ministry, and because Shaykh 'Abd-al-'Aziz had administered it since his graduation in the United States 17 year ago. The portfolio of the Interior

Ministry was given to a third son, Shaykh 'Abdallah Ibn-Khalifah; this had previously been held by the emir's elder brother, Shaykh Khalid Ibn-Hamad Al Thani. Shaykh 'Abdallah had previously been chairman of the Olympic committee of Qatar, which announced his resignation from it one day before the formation of the cabinet.

In his recognized wisdom, the emir of Qatar has been eager to bring educated youth from the ruling family and the people of Qatar into the new government so as to bring new life to the country, the generation of the fathers having rendered its noteworthy services throughout the term of the first cabinet, which had constantly broken records.

The emir's wisdom was obvious in his taking advantage of the expertise of the sons of his brothers, especially those brothers who had gone to their eternal rest after having been ministers in their turn in the previous government. The portfolio of the Ministry of Economy and Commerce, which had been held by the late Shaykh Nasir Ibn-Khalid Al Thani, was entrusted to Shaykh Hamad, the eldest son of the emir's brother, the late Jasim Ibn-Hamad Al Thani, who died while he was at the height of his career as minister of education in 1976. Likewise another ministry, the Ministry of Information and Culture, was entrusted to the son of another brother of the emir; to Shaykh Hamad, the son of the late Shaykh Sahim Ibn-Hamad Al Thani, who held the portfolio of the Foreign Ministry until his death in 1985.

Shaykh Hamad Ibn-Jasim had previously worked as chief of police, whereas Shaykh Hamad Ibn-Sahim had worked as deputy foreign minister. The emir of Qatar brought into the cabinet the family of the previous ruler of the state, inasmuch as he appointed the son of his brother Khalid Ibn-Muhammad Ibn 'Ali Al Thani as minister of public health.

As for the Ministry of Municipalities, which had been held by another shaykh of the Al Thani family, the late Muhammad Ibn-Jabr Al Thani, that was entrusted to a son of the brother of the departed minister, Shaykh Hamad Ibn-Jasim Ibn-Jabr Al Thani, who had held the post of director of the ministry for many years before being appointed minister.

There are two important portfolios in the cabinet, namely those of the foreign ministry, and information. The Foreign Ministry was given to 'Abdallah Ibn-Khalifah al-Atiyah, who had been director of the office of the crown prince of Qatar, being his brother-in-law, and he had previously worked as director of the political department in the Foreign Ministry. The new minister has broad expertise in this field, since he had previously worked as ambassador since his graduation from the University of Michigan in 1974. This ministry had previously been held by Shaykh Ahmad Ibn-Sayf Al Thani, who had been minister of state for foreign affairs. He has moved to the Ministry of Justice, which had been

vacant since the death of the former minister, the late 'Abd-al-Rahman Ibn Sa'ud Al Thani, in a car accident in 1976.

As for the Ministry of Information, the portfolio of which had been held by Dr 'Isa Ghanim al-Kawari was transferred to Shaykh Hamad Ibn-Sahim Al Thani after its name was changed to the Ministry of Information and Culture. Meanwhile al-Kawari became minister of court affairs, which for all practical purposes was seen as a continuation of his previous work as director of the office of the emir of Qatar. He will have more time for the work of the new court, now that authority has been transferred from the old court to the new one with the start of the new formation.

Leaving the cabinet on account of the new formation were two brothers of the emir, Shaykh Muhammad Ibn-Hamad Al Thani, the minister of education, and Shaykh Khalid Ibn-Hamad Al Thani, interior minister. Also leaving were Shaykh Jasim Ibn-Muhammad Al Thani, minister of electricity and water, Shaykh Faysal Ibn-Thani Al Thani, minister of agriculture and industry, Mr Khalid Ibn-'Abdallah al-'Atiyah, minister of public works, Mr 'Ali Ibn-Ahmad al-Ansari, minister of labor and social affairs, Mr 'Abdallah Ibn Nasir al-Suwaydi, minister of transport and communications, and Mr Khalid al-Mani', minister of public health.

In addition to the names mentioned above, the following new ministers were added to the new cabinet:

- 'Abd-al-'Aziz 'Abdallah Turki, minister of education, who had previously been deputy minister in the same ministry.
- 'Abdallah Salih al-Mani', minister of transport and communications, who had previously been Qatar's ambassador to Saudi Arabia.
- Mubarak Ibn-'Ali al-Khatir, minister of electricity and water, who had previously been director of legal affairs.
- 'Abd-al-Rahman Sa'd al-Dirham, minister of labor and social affairs and housing, who had previously been director of the department of people's housing.

It might be mentioned that the first cabinet in the history of Qatar was formed on the second of April 1970. At that time the cabinet was made up of ten ministries under the prime ministry of Shaykh Khalifah Ibn-Hamad Al Thani, who at that time was deputy to the governor. He also held the Ministry of Finance and Petroleum, which he continued to do until his son Shaykh 'Abd-al-'Aziz Ibn-Khalifah graduated in 1972, whereupon he received it officially and has held it up to the present.

The formation of the new government met with favorable reaction from Qatari society, especially from young people who long for a government course that would guarantee the future of development and giving at this politically complicated and economically difficult time.

SUDAN

Former Official Acquitted on Hoarding Charge

*EA3009105589 Omdurman Domestic Service
in Arabic 1930 GMT 28 Sep 89*

[Text] Special Court No. 3 has withdrawn the charges against the accused Dr Pacifico Lado Loleik and Samir Khamis Sulayman, Loleik's former office manager during the defunct regime. The two were facing charges under Article 4 of the commodities supervision law of 1978, Article 38 of the pharmaceuticals and poisons law, and Article 14 of the emergency law.

The charges were withdrawn because of lack of evidence.

The court ordered the immediate release of the second accused and the release of the first accused, provided there are no other charges outstanding against him. The court also ordered the medicine on exhibit to be given to the representative of Equatoria Region so he can send them to the proper authorities. It ordered the supply materials to be given to the first accused.

Daily Summarizes al-Bashir's 1987 Thesis on Armed Forces

*45040506 Khartoum AL-QUWWAT
AL-MUSALLAHAH in Arabic 17 Aug 89 p 5*

[Article by 'Umar Harun al-Khalifah, Psychology Professor at Khartoum University: "'Umar Hasan Ahmad al-Bashir as Researcher"]

[Excerpts] In an academic study he submitted in 1987 to the Sudanese Administrative Sciences Academy to complete the programs for the development of the higher administrative leaderships, researcher 'Umar Hasan Ahmad al-Bashir selected the armed forces' role in development as the topic of his 97-page study. The researcher divided his study into an introduction and four chapters: The Armed Forces' Role in the Third World, The Military Units' Role in Development, An Analytical Study of the Military Economic Authority, Conclusion and Recommendations.

In the introduction to his study, the researcher notes that it is well known and acknowledged that the armed forces' role is to defend the homeland against foreign aggression and to take part in maintaining domestic security. In addition to this duty, the armed forces can play an important role in development, using the material and human resources at their disposal and channeling surplus personnel time and equipment, considering that armed forces use no more than 40 percent of their capabilities in peacetime.

Defining the objective of his study, the researcher says that it is an endeavor to determine the role the developing countries' armed forces can play in development. On this basis, he examines the various roles that the various units may play, each in its field of specialization. He then proceeds to evaluate the experience of the Military Economic Authority.

In his study, the researcher adopted the method of gathering the information and data provided by previous studies. He got these studies from the military units and from the agencies of the Military Economic Authority. He also got his information and data from interviews with the officers in charge of the units and from reports on the performance of the institutions.

The researcher begins the first chapter of his study by saying that the third world armed forces have come to play a prominent role in political, social, and economic life. "In the area of government, we find that more than two-thirds of the third world countries, numbering 100 countries, have witnessed military coups or military intervention in some manner. We must make a distinction between military coups and the other means through which power may be seized, such as rebellions, insurgencies, revolutions, and civil wars."

The researcher also discusses the role the armed forces can play in developing nationalist feeling, saying: "For a regime to implant national loyalty and to weaken tribalism, there has to be a national education and all of the state's information, cultural, and educational agencies must take part in providing this education. We find that within their own framework, the armed forces fuse all the small entities existing in society and that no distinction is made between these entities within the force." The researcher emphasizes that the armed forces' main role is to perform their constitutional duty of protecting the country and the citizen so that the citizens may devote themselves to work and to increasing production. But this duty does not preclude the economic and social activities carried out by the armed forces. In performing these duties, the armed forces rely on their human, material, and technological resources, which are embodied in their manpower, transportation means, engineering equipment, and military sciences.

The researcher defines the development process as a controversial process reflecting the constant interaction between the effort to increase the capabilities of the social, economic, and political structures to meet demand on the one hand, and the effort to strengthen the tendency toward equality, national independence, and an intrinsic identity on the other hand, all within a broader framework that presumes the importance of the citizen in society and that ultimately focuses on enhancing the citizen's capabilities through various social organizations and institutions. The researcher also underlines the individual's aspirations for personal security, a stable environment, membership in the group, social and economic justice, and personal achievement and expectations.

The researcher then touches on the impact of development on security and on programs that produce balanced development, dividing them into three types, depending on the difference in security conditions. They are:

1. Programs designed to create a prosperous society through the implementation of politically, economically, and socially balanced development.

2. Programs designed to remove the conditions that lead to dissatisfaction and instability by reducing political, economic, and social injustices.

3. Programs designed to confront and defeat rebellion through military, political, economic, and social measures.

The researcher concludes that in each of the three abovementioned cases, the development concept, principles, and programs are implemented in the same manner. The difference between them is the result of priorities and of dividing the objectives into immediate, medium-range, and long range objectives.

The researcher's dissertation in the previous part is theoretical. To actually underline the armed forces' role in development, he notes that the military role in assisting the civilian sector or state generally falls under the provision of relations with the civilians—"building and construction projects." This means utilizing the armed forces to implement projects important to the civilians at all levels and in a number of areas, such as education, training, health, agriculture, and transportation.

The researcher then discusses in detail the military units' contributions to development, beginning with the engineers' corps accomplishments. He notes that the corps has made several accomplishments, describing them as incredible when compared with the corps' resources, which barely met the corps' basic needs. [passage omitted]

The researcher then discusses the creation of the Military Relations Department in 1970, justifying the reasons for its creation by stating that it had become evident to the officials that the civilian public works agency could not keep up pace with the expected development in the armed forces. The Military Public Works Agency was entrusted with implementing the plan to develop the armed forces. [passage omitted]

The researcher concluded chapters 1 and 2 by defining the positives and negatives of the armed forces' participation in development. He defines the positives in the following: Gaining experience and training for personnel; underlining the armed forces' role in development; sparing the state a heavy financial burden; serving and helping the citizens and gaining their trust; finding the limits of and developing capabilities; discovering aspects of failure; establishing joint relations with institutions and utilizing these relations in the exchange of equipment, expertise and specializations.

As for the negatives, the researcher defines them as the following: The difficulty of reconciling the armed forces' combat and security duties with work in the development projects, the difficulty of implementing work as planned because of the difficulty of securing materials and necessities needed, the difficulty of replacing equipment consumed in work in the projects and of securing

the spare parts needed for maintenance so that the equipment may be ready to carry out combat tasks when necessary, the absence of an authority to coordinate between the armed forces' units constructing the projects and other agencies.

After this detailed description and review of the roles the armed forces have played or may play in development, the researcher notes that it is necessary to reconsider the theory that the armed forces are a consumption unit on which money is spent without yielding a return, because this theory is incorrect. With this study, the researcher has contributed to linking the experiences of the third world armed forces with Sudan's experience. He also highlights the Sudanese armed forces' role in development, pointing out how to utilize their surplus time.

In any case, the study is a serious scientific addition that demonstrates how the researcher thought when he was a student at the Sudanese Administrative Sciences Academy. The question concerning development continues to be: How can these theories be transformed into application and how can the idea be turned into a reality?

SYRIA

Lack of Bread in Many Villages Reported

44040500 Damascus AL-BA'TH in Arabic 2 Jul 89 p 4

[Article by Husayn 'Ali al-Bakar]

[Text] Halab Rural Area—Bread is a staple item with which one cannot dispense. Nonetheless, despite the passage of 6 months since the start of the experiment to distribute bread through authorized agents, a question now emerges for which a sufficient, unequivocal answer must be sought, namely:

Is bread reaching all rural and urban citizens?!

Before answering this question, we must establish the following fact, which is that the price of a dry kilogram of bread is currently 6 Syrian pounds. This fact has importance which must not be ignored. How does the suffering of the countryside become evident?

Let us begin with the villages in the district of Manbij.

The number of authorized agents in the village of Khafsah is eight. Each authorized agent distributes 180 kg, and this amount does not suffice for the residents of the village, whereas, the villages of al-Dhakhirah, Umm Rusum, Khirbat Shihab, Qibab Kabir, and others remain without bread.

In Maskanah, bread reaches the municipality but not the neighboring villages. A year ago, these villages were receiving wheat from the food supply. This is no longer the case, and there is no authorized agent in these villages, which include Samumah (population 1,500)

Rasm Falih (population 800), the city of al-Far (population 1,400), Khirbat al-Qatit (population 300), Mashrafat Fayyad, Umm Hujrah, Khan al-Sha'r, and Khirbat al-Jawim. The residents of these villages, which are not part of the distribution experiment enjoyed by others, are compelled to purchase flour at any cost. In Manbij, many citizens complain that they are registered with the authorized agent, but they do not receive bread, as illustrated by the following example: A citizen wishing to obtain a loaf from a bakery cannot do so. He is given the excuse that the bread is for the authorized agent alone. We learn of an example involving a case of fraud from an authorized agent. A meeting, attended by bakery owners, authorized agents and the food supply apparatus of Halab, was held to place an end to some excesses, and what happened?!

According to the official tables, the actual due of the authorized agent of the Western Quarter is 470 kg, of which he was receiving 430 kg. After several days, the share of this authorized agent was reduced to 427 kg on the instructions of the food supply branch in Manbij, which provided the excuse that the tables are inaccurate. We do not know where the accuracy is hidden, inasmuch as the official tables are computed from the family cards. Where would this authorized agent obtain 40 kg of bread, when its owners and any passerby cannot obtain a single loaf?!

Examples from the near-by countryside: Regarding villages near the city of Manbij, the village of 'Ayn al-Nakhil has no authorized agent. The village of Haymar Labidah (population 5,000), located 17 km south of Manbij, is traversed by a road on the sides of which boys and women stand waiting for the bread wagons going to other villages to beg the owners of these bread wagons to sell them a package of bread. In most cases, they refrain from selling, and if they have some left when they return, they sell a package for 6 Syrian pounds and a package of improved bread for 12 Syrian pounds. Is there a solution to this daily suffering?!

It should be noted that the inhabitants of the village of Haymar Labidah have sent their family cards, and their names have been entered into the tables, but they have not yet received bread.

What are the reasons for the poor quality of bread?

The poor quality is attributed to a number of factors. We are not aware of any factor which stands alone, since the bakery in Manbij is automated, although it is operated by workers who lack sufficient experience, inasmuch as workers study dough kneading trade at the expense of good quality. Some attribute the poor quality to the flour. A third cause is the method for stacking the product in bulk form without reducing the degree of moisture. Consequently the bread becomes squashed inside the sacks. Whatever the reasons, the citizen is

entitled to obtain well-baked bread. Would high incentives for workers in the automated Manbij bakery succeed in improving the loaf!? Let the first and last goal remain the provision of a good loaf to the citizen!

Lack of Supervision Over Food Supply Criticized

44040468 Damascus AL-BA'TH in Arabic
14 Jun 89 p 6

[Interview with Sami Awmar, food supply director of the governorate of Damascus; first 13 paragraphs are AL-BA'TH introduction; date and place not given]

[Text] The situation in our markets has been the same for a long time. Therefore, there is cause for more than one logical question crowding one's mind. Regarding every incidence of fraud or a selling violation, or price chaos here and there, the same question jumps out, where is the food supply supervision apparatus? To the same extent that responsibility for controlling the market is somewhat accurately determined, the people have built up a desire for food supply supervision to become present in the vegetable, fruit and clothing markets, even among peddlers, working purposefully and capable of curbing the many, many violations in order to protect the consumer.

Certainly this does not mean assigning one food supply supervisor for every vendor. By the same measure, it certainly does not mean sitting around waiting for a complaint. Any objective appraisal of the state of supervision activity in the food supply sector requires a close examination of the situation, its problems, needs, mechanism, requirements and even its adequacy. Before that, its precise role and the factors which influence it must be known.

Current laws and regulations impose on the food supply agencies the responsibility for supervising markets, preventing exploitation and monopolization, enforcing adherence to set prices and looking into citizens' complaints. During so-called food supply crises, the role of supervision becomes more important regarding price and service fee control to facilitate market stability.

To complement the foregoing, I cite as follows sections of a study on the same subject which was presented at the National Creativity Conference: "...regardless of the ability of the supervision apparatus and the extent of its deployment, successful supervision is linked to a number of matters, including:

"- The abundance of goods, the correspondence of their price with their true cost and the guarantee of a rewarding profit for the producer, a fair profit margin for the distributor and protection of consumers.

"- The cooperation of citizens, who form the cornerstone of market control and supervision; without this cooperation, the supervision process becomes deficient, being carried out by only one party.

"- The need for competent supervision personnel, and the provision of those requirements and facilities which guarantee the rapid movement and appropriate material and mental preparation of such personnel..."

Realistically, we find that all of the elements needed for successful food supply supervision are somewhat lacking. We believe that the examples are well known.

Upon examining the details, we see that the food supply apparatus is responsible for implementing the laws of the Ministry of Supply and Internal Trade, including Law No. 158 and Law No. 223, which pertain to food supply, pricing, the curbing of fraud and swindle and other decisions issued pursuant to the provisions of these two laws. We find that, by means of these two laws, the agency has almost unlimited responsibility for protecting food security—if the term is correct—and assuring compliance with laws related to this protection.

These tasks are basic. When we asked a food supply official in one of the provinces about the limits of the tasks and mandates of the food supply supervision apparatus, he whispered something to the effect that "much has been written about it, and much has been conjectured as to its effectiveness, but it has not been entirely fair. Whoever is close to the situation obtains a clear picture of it."

I think that he means the situation of the food supply supervision apparatus, namely its current capabilities and lack of some requirements, which we will mention. As for the market, the picture provided by reality is something different. Perhaps this is what requires us to immediately familiarize ourselves with the capabilities of the apparatus. The example before us this time is that of Damascus, the big capital, crowded with daily commercial activity. Actually, despite the shortcomings of supervision and the many complaints about it, there are several positive points which cannot be ignored, especially regarding the recent work of the Damascus food supply administration and its stepped-up role in raiding warehouses used for the adulteration of edible oil and other foodstuffs.

Notwithstanding, the problem has remained obvious and significant. A more detailed picture is provided by Sami Awmar, the food supply director, who stated the following:

[Awmar] Food supply personnel in the administration numbered 60-70 in 1974, and this number has not increased to date. However, during previous years, especially after 1976, qualitative improvements were introduced, such as radio equipment, motorized units equipped with radios and an increase in the number of such units. Currently, we have 65 personnel, of which 5 are absent on compulsory vacations or leaves each month. If we divide them into 30 two-person patrols, during a 24-hour period, we find them divided into 5 work shifts, each with a capacity for 8 patrols allotted to only 8 specific sectors which are under their supervision. Regarding, supervision of private and public sector

bakeries and the monitoring of their bread production supply needs, we have 22 patrols divided into 4 work shifts, hence, 5.25 patrols per shift. If we calculate the number of residents of Damascus to be approximately 4 million, we see that 1.5 patrols exist for every 1 million people...(?)

[AL-BA'TH] Can investigations be carried out with reasonable speed?

[Aw mari] Notwithstanding, we produce a big strain on the food supply supervision apparatus in the morning, and, regardless of the food supply supervision effort, we cannot cover the need, especially since our presence is required in every place. Given current capabilities, our work is completely ineffectual.

[AL-BA'TH] These remarks provide us with a realistic picture of the work of the food supply supervision apparatus. For our part, we followed up by calculating the ratio of food supply provision personnel to population, the result being that between 1974 and 1989, the population of Damascus rose steadily from 1.5 million to 4 million (I do not know if the latter figure is accurate) [as published]. However, the number of supervision personnel did not increase along with the development and expansion of the markets of the city, in which there are approximately 100,000 registered, licenced merchants. If we add unregistered stores and peddlers, which total 100,000 or slightly less, the total is approximately 200,000 vendors. Many sales and purchase take place by the minute; what is the ratio of food supply supervisors to such transactions? It is over 1 to 3,000! Food supply supervisors make 500 arrests per month. This figure increases to 1,000 when there is pressure. In this respect, the food supply director informs us that they are sensitive about the word "campaign," because food supply supervision must be a constant campaign, and over 200 persons have been arrested for adulteration [fraud] and price hiking violations since the Feast of Breaking the Ramadan Fast.

As for the work mechanism, food supply supervision entails a number of tasks, including investigations of violations, receiving and responding to citizens' complaints, exceptional tasks which depend on incoming information, and searches and investigations of dens of fraud and monopoly. In responding to a question about the benefit of waiting for a complaint and the need to investigate violations, Mr Aw mari stated the following:

[Aw mari] When searching out violations, each patrol covers the entire area of a sector—which is large, inasmuch as it contains all nexus and facilities of economic activity—over a limited period, curbing violations which it observes by determining the necessary correctional measures for such violations, as not advertising prices or overcharging. If they deem it necessary, the patrols can also require violators to hand over stock.

[AL-BA'TH] How many complaints do you receive daily from citizens?

[Aw mari] Depending on the season, an average of 10-15 complaints. Certainly, this figure should be considered small insofar as we know that the number of violations which occur daily exceeds the aforementioned figure tens of times over. The food supply bureaus in Damascus receive complaints at two telephone numbers, 940 and 225990. The 940 number is serviced by four semiautomatic lines, which receive but do not transmit. A call to this number is free, and users of this number are not billed for calling it. When a citizen calls the aforementioned two numbers with a complaint, the complaint is received by the supervision bureau administration, which records some initial information, then dispatches a patrol to the complaining citizen. If the patrol determines that a food supply violation was definitely committed, the name of the violator is not given over the radio as a precaution to assure secrecy. The patrol takes information from the complainant and records his written statement at the meeting place before going to the violator. The patrol then goes to the violator and controls him with the customary measures. After justice is done, the citizen is thanked with the return of the difference between the official price and the sale price. Unfortunately, citizens have a negative attitude toward the food supply supervision apparatus, such that some pay more than the announced price and do not complain.

[AL-BA'TH] In the course of the interview, we learn that some people abuse the complaint process for specific reasons (?) [as published], or several store owners in the market resort to deception when they come under pressure from one of the patrols. In such cases, one of them calls in the capacity of a complainant from another area in the same sector of the patrol. The patrol goes to that area to respond to the complaint only to find no complainant.

It is precisely this point regarding the relation between citizens and the food supply supervision apparatus which leads us into a discussion of the best ways for forming a more useful, exemplary relation which transcends waiting for a complaint, and which makes provision for greater ease, thus contributing to supporting a positive attitude on the part of consumers regarding complaining about any violation and not being quiet about it. We mention here the substations experiment. Although I did not follow this experiment in the field at the time, other colleagues who did so made the following observations regarding it:

- During their work hours, most of the supervisors in these substations did not adhere to the reference manual for keeping substation records and recording the number of violations regulated weekly.
- Control, albeit partial, was imposed on the role of these substations, thereby nullifying their effectiveness, which made several interpretations possible.
- The method of communication between the substations and the main center was inadequate due to a lack of telephones which assure contact between main stations and fixed substations.

- The substations in their previous condition put 30 supervisors out of commission or at least made their yield weak.
- Initially, official prices were announced at the substations, then their role was transformed into selling confiscations.

Mr Awmari, one of the originators of the idea, states the following regarding it:

[Awmari] It was applied without being given an adequate chance to continue. Ten substations were set up. Realistically, they cannot be operated unless 4-5 elements, each having an individual radio, are assigned to each substation, and two patrols having the capabilities of a main station are assigned to patrol the substation's sector. This is theoretical. As for the practical, only one element—two elements in the best of circumstances—were posted at each substation, and the manpower capability of the administration for the important motorized patrol sector was exhausted. It should be noted that the idea of substations is still being considered. However, we will not use substations made of wood and iron, because they have been subject to larceny at night by some violators, and sometimes chairs have been stolen from them.

The idea currently being promoted requires that we use a room in any food supply facility or municipal building in sensitive locations, which we would declare a center for food supply complaints. This would be done because a personnel shortage has put the status of the substations on ice, and the adjustment of citizens to them has been limited. However, if they had fulfilled their duty well, the citizen would have been more in favor of them. As it was, citizens addressed their complaints to the 940 number. Why did they not take their complaints to the substations?!

[AL-BA'TH] The director of food supply himself posed this question, at the same time informing us that the idea of the substations is old, and that the new idea is practicable and can be developed.

We asked him what was needed to put the idea into effect successfully, to which he replied:

[Awmari] I want at least 30 personnel with 30-40 motorized units. Currently, there are only 27 motorized units and just enough gasoline for them.

[AL-BA'TH] This brings to mind the area of health supervision. Why is there no health supervision, inasmuch as assuring the maintenance of citizens' health is a basic attainment in citizens' lives, especially regarding food. True, adulteration, which is the responsibility of the food supply supervision apparatus, is not in the purview of public health alone, for adulteration [fraud] might occur regarding a car engine or the type, manufacture, and quality of a spare part. Nonetheless, a health supervision role is apparently budgeted—where is it in reality? As a matter of fact, health supervision does not have a role after 2:00 p.m., since the doors of the bureaus

concerned with health close their doors at the end of official office hours for governorate and health officials. As for tourism supervision, it does not have a qualified cadre. Therefore, it seems incapable, and complaints are therefore directed to the food supply supervision apparatus, even though according to [legal] provisions, tourist restaurants and those above the popular level, i.e., above the first-class level, are subject to tourist supervision. But does anyone remember this when a violation occurs?

Thus, we have three related areas of supervision, the burden for which rests mostly on the food supply supervision apparatus, because it receives various complaints, carries out health patrols if necessary and controls violations. I believe that people only think of the food supply supervision apparatus when any such violation occurs. However, is it able to handle this load in a continually effective manner?

The questions keep coming, and in their context, the important problem of standards is not forgotten. Who establishes standards, who is responsible for them? Is there in fact daily supervision, or does adherence to a measurement standard for the ingredients of a product, especially food products, end with the submission of the first form, and in all circumstances is it hoped that judicial prosecution will always be a deterrent? There is also the important question of how do we upgrade the food supply supervision apparatus to be more of a presence, more useful, more available, and firmly trusted by the people?

We have read about the ministry's directives, which stipulate the establishment of priorities for supervision tasks from the standpoint of time, locale, the reexamination of supervision methods, the holding of periodic meetings of the official agencies responsible for supervision, and the provision of supervision needs, including human cadres and technical equipment. Hoping that all of that is carried out quickly, we believe that it is necessary to:

- Match supervision capabilities with the size of the population.
- Develop the quality of supervision capabilities.
- Create scientifically qualified cadres to undertake supervision tasks.
- Select competent, honest personnel for food supply supervision. The position of supervisor is important. Therefore, selections must be made very precisely without neglecting the need to improve the material level of supervisors, inasmuch as they are exposed to many temptations. It is unreasonable that a food supply supervisor should receive only 85 Syrian pounds as compensation!
- Activate health and tourism supervision; at the same time, the food supply supervision apparatus must be developed as a motorized, human capability, and its methods must also be developed.

As long as pricing remains a basic problem—as mentioned above—which is amenable to successful supervision, it would be unreasonable for this procedure to remain the jurisdiction of more than 26 state agencies. Accordingly, a central food pricing agency is urgently needed so that we can at least eliminate ambiguities and the role of some pricefixing parasites. For his part, the director of food supply for Damascus, still the example of his governorate, has provided us with a new theoretical plan, the application of which, he believes, would be appropriate. The plan calls for the opening of food supply branch offices in state facilities, where complaints would be received. Such branch offices would be protected and equipped distinguishing them from the substations which were experimental posts in their time. There would be 40 to 50 patrols in the morning period, dispatched from the main station and the branch centers in the main quarters. These branches would have independent cadres equipped with the essential prerequisites, namely motorized units. Patrols would be dispatched in the morning inside the sectors of their respective branches. They would carry out their tasks in these areas. In addition, a number of patrols subordinate to the main

station, having half the personnel of a sector patrol, would patrol in all the sectors, performing official and public tasks subordinate to the food supply administration and intervening to assist in any sector requiring help. A system or formations of foot patrols would be formed to patrol in the main markets, such as al-Hamidiyah or al-Hariqah or Khan al-Jumrak and others currently inaccessible to cars. Also, a number, albeit limited, of quality-control patrols would be created for special tasks related to new factors, such as problems pertaining to meat, bread, and sweets. Two counter-check patrols would also be formed to monitor the activity of the other patrols. For all of the foregoing, we would require 200 personnel elements.

When we asked him what precluded the implementation of the plan, he stated: capabilities! However, does this factor alone constitute an obstacle? We believe that the answer can be summarized by returning to all of the points contained in this investigation to create a realistic picture of the what is absent and what is present in the work of the food supply supervision apparatus.

INDIA

Announcement of India-Pakistan Joint Commission

46001660 Calcutta THE TELEGRAPH
in English 28 Jul 89 p 6

[Article: "The Approach was Constructive"]

[Text] The Third-Meeting of the India-Pakistan Joint Commission was held in Islamabad on 18-19 July, 1989. The Pakistan delegation was led by His Excellency Sahabzada Yaqub Khan, Foreign Minister of Pakistan. The Indian delegation was led by His Excellency Mr P. V. Narasimha Rao, Minister for External Affairs of India. His Excellency Mr Iqbal Akhund, Adviser to the Prime Minister on Foreign Affairs and National Security, also participated in the proceedings of the Joint Commission.

2. During his stay in Islamabad His Excellency Mr Narasimha Rao called on His Excellency Mr Ghulam Ishaq Khan, President of the Islamic Republic of Pakistan on July 18th and Her Excellency Mohtarma Benazir Bhutto, Prime Minister of the Islamic Republic of Pakistan on July 19th.

3. The discussions during the meetings of the Joint Commission and the four Sub-Commissions were held in a warm and cordial atmosphere. The approach of both sides was positive and constructive.

4. In accordance with the directives of the Prime Ministers of Pakistan and India, the two sides agreed upon a number of concrete measures to strengthen cooperation between the two countries in a number of areas. These include:

I. Planning: The two sides will exchange documents and data relevant to furthering the process of development. A seminar on mobilisation of savings, population and local planning, irrigation programmes and policies will be held during 1989.

II. Industry: Both sides agreed to exchange delegations of businessmen in order to increase bilateral industrial cooperation.

III. Agriculture: Revised schedule of visits will be implemented and seminars will be held on already identified subjects in Pakistan (September 1989) and India (November 1989).

IV. Postal Service: Philatelic exhibitions will be organized on a reciprocal basis in India and Pakistan.

V. Health: Both sides agreed to an exchange of medical research delegations in the field of Oncology and Coronary Heart diseases.

VI. Double Taxation: Both sides agreed to initiate negotiations for a comprehensive convention for the avoidance of double taxation.

5. Trade: The two sides noted with satisfaction the growth in bilateral trade and agreed that there was still considerable scope for further expansion of trade between Pakistan and India in the mutual interest of both the countries. The Pakistan side announced enlargement of the list of items to be imported from India in the private sector by another 322 items under the Harmonised System of classification. Both sides, agreed to the setting up of a joint Business Council. It was also agreed to participate in Trade Fairs in each other's countries. Pakistan would be participating in the India International Trade Fair 1989.

Document

6. Culture: The two sides adopted a three-year Cultural Exchange Programme [CEP] for 1989-1991. The CEP provides for cooperation in the fields of

(a) education including providing fellowships/scholarships to students in either country; exchange of educationists, historians, scientists, academicians and other experts in the field of education and

(b) art and culture including exchange of musicians, artists, folk dance and music, theatre groups, exhibitions of arts and crafts, writers, poets, painters and sculptors.

(c) Both sides also agreed to exchange exhibitions on miniature paintings and contemporary art. The two sides further agreed to participate in painting exhibitions, folk festivals, seminars etc., organised by each other. The two sides also agreed to send delegations of children/youth.

(d) Sports: Both sides agreed to encourage exchange of sportsmen, athletes, coaches etc., in various sports.

(e) Radio, TV, Press and Films: Both sides agreed to exchange radio and TV programmes and delegations of radio and TV professionals.

(f) Both sides agreed to permit commercial exchange of newspapers and periodicals.

(g) Both sides agreed to allow the posting of more newspapers and agency correspondents in each other's country on a reciprocal basis.

(h) Both sides agreed to participate in each other's film festivals and exchange film delegations.

7. Travel & Tourism

(a) Both sides agreed to increase the number of places that can be visited by nationals of either country from the present 4 to 8.

(b) Both sides agreed that persons with visas valid up to 14 days will be exempted from police reporting on reciprocal basis. This visa will be non-extendable.

(c) Both sides agreed that visitors travelling by air could enter at one point and exit at another point provided that the visa is so endorsed.

(d) Both sides agreed to introduce a new category of tourist visa to cover group tours by approved tour operators valid up to 14 days. Private tour operators/travel agents duly approved by respective governments would be permitted to operate group tours. Such groups must consist of 10 or more persons who would be granted non-extendable tourist visas valid for 14 days and for a maximum of 8 places. Individual members of the group will not be required to register with the police. The tour operators will inform the registration authorities at various places in advance.

(e) Both sides agreed to increase the number of pilgrims and places of pilgrimages. Indian side agreed to increase the number of pilgrims as follows:

I. Shrine of Hazrat Moinuddin Chishti, Ajmer Sharif, from 300 to 500

II. Shrine of Hazrat Nizamuddin Aulia, Delhi, from 180 to 250

III. Shrine of Hazrat Amir Khusro Delhi, from 120 to 200

IV. Shrine of Hazrat Mujadid Alaf Sani, at Sirhand Sharif, from 120 to 200

V. Shrine of Hazrat Kh. Alauddin Ali Ahmad Sabir at Kalyer Sharif, from 120 to 200

(f) Pakistan side agreed to permit two visits annually to Kataraj of 200 pilgrims for each visit.

(g) Indian side agreed to open the shrine of Hazrat Hafiz Abdullah Shah (Agra) for visit by 150 pilgrims.

(h) Pakistan side agreed to open Sadhu Bela (Sukkur) shrine and the Shrine of Hazrat Data Ganj Baksh (Lahore). Pakistan side indicated that the pilgrimage to Sadhu Bela would be combined with the pilgrimage to Hyat Pitafey and the number of pilgrims would be increased to [number omitted].

8. The Indian side expressed its warm appreciation to the Government and people of Pakistan for the hospitality extended to the Minister of External Affairs of India and his delegation.

IRAN

AL-MAJALLAH Reports on Rafsanjani Role, Personality

45040511 London AL-MAJALLAH
in Arabic 16 Aug 89 pp 17-19

[Article: "Iran: Radicals' Struggle for Power; Hostage Crisis Is First Test; Tehran Speaks for First Time of Restoring Its Relations With Washington; Emergence of New Alliances in Iranian Arena"]

[Text] Many observers have expected the election of 'Ali Akbar Hashemi Rafsanjani to the post of president of

Iran to finally settle the domestic struggle over Iranian decisionmaking. But the first real crisis facing the new president, which is the kidnapping of Shaykh 'Abd-al-Karim 'Ubayd, the Hizballah official in South Lebanon, and the subsequent opening of the dossier of U.S. hostages detained in Lebanon and of Iran's role in this crisis, has demonstrated that the struggle has not been settled yet and that radicals of all kinds continue to have their conflict over Iran's policy.

How will Rafsanjani confront the radical tendency in Iran? Who are his allies? What are the new power centers? What is Rafsanjani's domestic and foreign program? AL-MAJALLAH has gotten from Tehran a special report which sheds light on the new president's personality, alliances and role in drafting Iran's new policy.

New Iranian President 'Ali Akbar Hashemi Rafsanjani took the oath in a special session convened by the Iranian Parliament and took over the presidency from 'Ali Khamene'i, his predecessor, 3 months before Khamene'i's second presidential term ended. Rafsanjani is holding important consultations with his advisers to select his deputies and the new cabinet members. The names of five officials are reiterated as candidates for the vice presidency, including Mir Hoseyn Musavi, the prime minister who submitted his resignation to Khamene'i as soon as Rafsanjani was elected president. But Khamene'i asked Musavi to continue running affairs until Rafsanjani's assumption of the presidency. Because the post of prime minister has been abolished by the Constitution Amendment Committee, it is expected that Rafsanjani will entrust Musavi with the task of overseeing reconstruction affairs. Foreign Minister 'Ali Akbar Velayati is another candidate for the vice presidency, and so are ex-Interior Minister 'Ali Akbar Nateq-Nuri; 'Abdollah Nuri, the representative of the ruler jurisprudent in "the Guard;" and Hasan Fereyduh Ruhani who is close to Rafsanjani.

In case Velayati is elected vice president, then Mohammed Javad Larijani, Velayati's former deputy, will be candidate for the Foreign Ministry portfolio. It is said in Tehran that if Rafsanjani manages to oust 'Ali Akbar Mohteshemi from the Ministry of Interior, he will entrust this ministry to Hasan Fereyduh Ruhani, his close friend.

But under the umbrella of the internal conflict in Iran and in view of the kidnapping of Shaykh 'Abd-al-Karim 'Ubayd, of the execution of Colonel Higgins and of the endeavors to hold negotiations to end the crisis of the hostages detained in Lebanon, it seems that it would be very difficult to press for the removal of Mohteshemi from his post as interior minister or from any future cabinet in Tehran, especially since the recent days have confirmed that despite his election to the presidency, Rafsanjani is not the only strongman in Iran and that the Iranian arena is still open for conflict.

In a related development, it is expected that Mohammed Gharazi, the minister of post and telephone, will be

transferred to the Ministry of Commerce and that the finance portfolio will be entrusted to Mohsen Nurbaksh, the ex-governor of the Central Bank.

Iran's new president intends to implement a domestic and external reform plan. Sources close to the president say that the plan incorporates the following points:

1. Embrace a free economic policy and bolster the private sector.
2. Establish political centralism and topple the centers of power.
3. Adopt a moderate foreign policy vis-a-vis the West and the East and seek to win over both East and West instead of continuing to enact the "neither East nor West" policy.
4. Seek to solve the war problem and to conclude a peace treaty with Iraq.
5. Strengthen the relations with West Europe and with the Arab and Islamic countries.
6. Grant the Iranians some outward liberties, such as the right to choose dress styles and to enjoy some aspects of life.
7. Seek to attract back the Iranians who have fled abroad, especially specialist Iranians, such as doctors and engineers, and facilitate their return to Iran.

The papers connected with Rafsanjani speak of the so-called "second republic," i.e. the new "post-revolution" era. Two weeks ago (prior to the start of the hostage problem), ETTELA'AT published an editorial hinting that optimism prevails in the region and that Rafsanjani's assumption of the presidency will lead to the adoption of pragmatic policies, especially since his statements reveal how strongly he adheres to the need to settle the pending issues and problems through negotiation and peaceful solutions. TEHRAN TIMES has published an interview with Mohammed Reza Bahonar, the brother of the late Iranian Prime Minister Mohammed Javad Bahonar, parliament member and close adviser to Rafsanjani, in which he displays a new stance on the resumption of Iranian-U.S. relations. In the interview, Bahonar did not refer to the past conditions set by the Iranian regime which linked resuming these relations to lifting the ban on the frozen Iranian assets, even though this condition has returned to the forefront amidst the talk about the possibility of ending the hostage crisis. However, it is worth noting that this is the first time in recent years in which an official declares Iran's readiness to resume the relations with Washington. There are reports which indicate that contacts between Rafsanjani and the United States began prior to the elections. It seems the fate of these contacts is tied to the fate of the course which the hostage issue will take. The first stumbling block in the face of these relations is the fanatic radical tendency led by Mohteshemi. Even though those close to Rafsanjani assert that Mohteshemi does not have popular bases capable of prolonged confrontation,

it is certain that Iran's radicals have foreign extensions, especially in Lebanon, which are capable of provoking unrest and diminishing Rafsanjani's power. Moreover, the presence of some of the radical elements in "the Guard" is capable of creating a constantly tense domestic climate.

According to a source close to Rafsanjani, Iran's new president will not be able at the outset of his administration to abandon the Khomeinist course unless he succeeds in removing the centers of power and the radicals, led by Mohteshemi. If he does, he will not hesitate to move closer to the West and the Arab countries, and he will try to eliminate the state of no war, no peace with Iraq. Nateq-Nuri, an adviser to Rafsanjani and a candidate for the post of vice president, has revealed in an interview with an Iranian paper that the new president believes in the need to bolster Iran's relations with the Islamic and Arab countries, that he favors the economic course followed by the European communities and that, if he succeeds in implementing his program, a new era will begin in Iran.

Centers of Power

But what are the centers of power in Tehran at present? How are they distributed and by what degree does Rafsanjani control them? It is well known that the main post is the post of the jurisconsult, who has the power of commander in chief of the Armed Forces. He is considered the highest authority in Iran and is selected by jurisprudents who are members of the Constitution Preservation Council. He has the power to declare war, conclude peace treaties, and appoint the army chiefs of staff and "the Guard's" commander. He can also dismiss the president of the republic by having the parliament declare him unfit. He is also the final decisionmaker on foreign and economic policies. He has his representatives in the Higher Defense Council, in radio and television and in all government agencies. Since he was elected jurisconsult, Khamene'i has formed an advisory council which is very much like a mini-cabinet. It consists of 12 advisers, headed by Mostafa Mir-Salim, who include a number of writers, intellectuals and specialists in the various fields, including the military field. Khamene'i's adviser for military affairs is Brigadier General Salimi who is considered one of Iran's most important officers. The council holds a daily meeting with Khamene'i and discusses the issues raised in society. Khamene'i makes his decisions in the light of these discussions. Mir-Salim is the official in charge of conveying these decision to the government officials and of coordinating with them.

The second center of power is the president of the republic. In the wake of the amendments introduced into the Iranian Constitution, especially the amendment abolishing the post of prime minister, the president's powers have expanded and he has become the head of the executive authority. In accordance with the Iranian Constitution, the president of the republic is also the chairman of the Higher Defense Council, which includes

the army commanders and chief of staff, the minister of defense, "the Guard's" commander and representatives of the "revolution" commanders. The president of the republic is also in charge of nominating and appointing cabinet ministers, approving the parliament resolutions and appointing ambassadors and high-ranking officials. Because Khamene'i has extended Rafsanjani's powers as acting commander in chief of the armed forces, Rafsanjani directly controls the affairs of these forces, in addition to his executive responsibilities.

The third center of power is the parliament. Since creation of the Consultative Council, which Rafsanjani constantly headed until July 1989, this council has become the real power in the country after Khomeyni, thanks to Rafsanjani who transformed the council into a sword with which he has struck whoever refused to submit to his will.

Parliament Tendencies

There are currently three tendencies in the Iranian Parliament:

The rightist tendency is represented by the RESALAT group, led by Ahmad Azeri-Qomi, and supported by the Bazaaris and some traditionalist clergymen. It seems obvious that Azeri supports Rafsanjani. It is said that Tavakkoli, one of Azeri's supporters, will be selected to be a member of Rafsanjani's cabinet.

The leftist tendency is led by Sadeq Khalkhali, the former general prosecutor. Khalkhali, who was removed from chairmanship of the Parliamentary Foreign Relations Committee on Rafsanjani's instruction, is now leading the wing opposed to the new president. Khalkhali is allied with Mohteshemi and is well known for his brutality. He is nicknamed the butcher of Tehran as a result of the thousands of Iranians he has executed.

The centrist tendency has the parliamentary majority. This is the wing of Rafsanjani himself and is led by Hasan Fereyduun Ruhani, chairman of the Parliamentary Defense Committee and a candidate for the post of vice president.

The other centers of powers in Iran are:

The Higher Judiciary Council and the judiciary authority. 'Abdolkarim Musavi Ardebili, the judiciary authority head, is considered one of the trio ruling Iran. He does not seek to expand his influence and powers. Khamene'i's retention of Ardebili as head of the judiciary authority has motivated the latter to declare his absolute protection for Rafsanjani.

The Council of Experts which includes 83 deputies and which is headed by 'Ali Meshkini. The elements supporting Khamene'i and Rafsanjani have the upper hand in this council. This is why, despite his repeated attempts, Meshkini was unable to make the council elect Ahmad Khomeyni.

The Constitution Preservation Council, which has 12 members, 6 of whom are jurisprudents and 6 are legal experts. The affiliations of the Constitution Preservation Council members are as follows:

Mohammad Emami-Kashani (the alternate imam leading the Friday prayers in Tehran) is a supporter of Rafsanjani.

Ahmad Jannati (chairman of the Islamic Information Organization) supports Khamene'i and is neutral toward Rafsanjani.

Abolqasem Khaz'ali supports Khamene'i and Rafsanjani.

Mohammed Yazdi is an obstinate opponent of Rafsanjani.

Mohammed Mohammadi-Gilani supports Rafsanjani.

Mohammed Mo'min supports Rafsanjani and Khamene'i.

Dr Gudarz Eftekhari-Jahrami (Law College president) is an adviser to Khamene'i.

Hoseyn Mehrpur supports Rafsanjani.

Jalaluddin Madani is adviser to Mohammed Hashemi, who is Rafsanjani's brother and the director of radio and television.

Hasan Fakhri is tied to Mohteshemi.

Khosrow Bijni is tied to Khamene'i.

'Ali 'Arab is a member of Rafsanjani's office.

In addition to these centers, it should be noted that the Army, though it has not supported and backed Rafsanjani and Khamene'i, is openly and publicly opposed to the minister of interior and the intelligence. It is worth noting that Khamene'i had good relations with the army commanders when he was the Higher Defense Council chairman. During the period he spent as deputy commander in chief of the Armed Forces, Rafsanjani tried to win over the army commanders. It must be said that he did succeed to a degree in eliminating the army commanders' fears of the possibility of merging the army with "the Guard," who do not represent a certain tendency but who are dominated by factionalism. "The Guard's" members belong to various intellectual schools and to numerous centers of power. Whereas Rafsanjani has the support of 'Ali Shamkhani, minister of "the Guard," and of most of "the Guard's" commanders, the loyalty of Mohsen Reza'i, "the Guard's" general commander, flows into Mohteshemi's camp. This is why some circles expect Reza'i to be among the first officials to be dismissed in the coming months.

It is worth noting that Mohteshemi who—along with Reyshahri, the minister of intelligence, Meshkini, the Council of Experts chairman, and Ahmad Khomeyni—represents the so-called "radical" wing, does not have a

specific center of power. After Rafsanjani's election to the presidency, the language of interests began to talk. An example is that Serajeddin Musavi, the [people's] committees chairman and Mohteshemi's deputy, who was until very recently one of Mohteshemi's most important men, joined Rafsanjani's wing when he was promised that Rafsanjani would not dismiss him if he changed his position.

Khamene'i-Rafsanjani Alliance

Khamene'i has a personality totally different from that of Rafsanjani. According to Mostafa Mir-Salim, one of Khamene'i's advisers, Khamene'i loves poetry and music and prefers to be "Iran's Makarios" rather than carry the burden of being Khomeyni's successor. During his presidency, Khamene'i tried to persuade people that he does not like war and that he refuses to "export the revolution." He also tried to demonstrate that his hands were tied as long as Khomeyni lived. The first thing he did was, in fact, to highlight his presence not as an extension of Khomeyni but as a jurispudent who favors the establishment of a moderate regime and of modern aspirations compatible with the requirements of the age. For 8 years, Khamene'i was in open disagreement with Rafsanjani. The evident contrast in their personalities made them oppose each other from the inception of the "revolution" till the end of the Iraq-Iran war. Rafsanjani allied himself with the left in the morning and with the right at night whereas Khamene'i clung to his relations with the third [moderate] line.

Rafsanjani's allies at the time (Ahmad Khomeyni, 'Ali Akbar Mohteshemi, Mohammad Reyshahri, 'Ali Meshkini) abandoned Rafsanjani when they realized that he was in agreement with his former foe. Khamene'i's friends did not conceal their resentment over his alliance with Rafsanjani. But the later developments undergone by Iran proved that the process of ending the war would not have been carried through if Khamene'i and Rafsanjani had not stood in one line opposite Khomeyni. Since July 1988, Khamene'i's and Rafsanjani's efforts focused on strengthening their alliance in preparation for the post-Khomeyni era. Those who were not aware of the true nature of the Rafsanjani-Khamene'i cooperation, considering that the two men pretended that they still held divergent positions and that their disagreements persisted, had expected conflicts to develop between the two upon Khomeyni's death. But the two men divided the roles and showed up together at the Council of Experts to elect a successor. What all sources assert is that Khamene'i would not have been elected to his position if a sudden letter had not appeared at the council declaring that Khomeyni had written that his successor should be selected from within the house [ordinarily a reference to the prophet's house] and that he could be a nonjurispudent. Private sources in Tehran point out that Rafsanjani was the man who pulled Khomeyni's letter out of his pocket when he realized that the council majority was inclined to elect a leadership council headed by Meshkini. Clarifying the developments and the contacts preceding Khomeyni's death and

the deliberations which took place in the Council of Experts, Rafsanjani said: "We did not give serious thought to the succession issue after Montazeri was relieved. Our concern was to deal with Khomeyni's worsening health. We tackled the issue seriously when we lost hope of Khomeyni's survival. On the afternoon of his death, we held a special Consultative Council session to expedite amendment of the Constitution. We then headed to the hospital where the decisionmakers were meeting. That meeting concluded with a resolution calling for the creation of a 3-member council to run the country's affairs temporarily. At this meeting, Khamene'i's name was proposed as one of the council members. We held another session which debated the issue of consultation and of whether the leadership council should consist of 3 or 5 members. We then encountered difficulty in forming the council and realized that there was an obstacle in the face of making a decision. After it was proposed that the leader be one individual, I submitted Khamene'i's name. I am fully satisfied when I examine my conscience because I can find no course better than the course we followed. I do, of course, respect the others whose names were proposed. But I know that if one of them had been selected, we would have encountered problems." After Khamene'i became leader, thanks to Rafsanjani's efforts, it was no longer secret that Khamene'i would respond to Rafsanjani by granting him the presidency.

PAKISTAN

Pro-Army Elements Allegedly Active Against Democratic Government

46560068a Karachi AMN in Urdu 25 Aug 89 p 5

[Editorial: "Why Did the U.S. Senator Warn Us?"]

[Text] United States Senator Pell, who is also the chairman of the Senate foreign affairs committee, recently made a very strong announcement during a press conference in Islamabad. He said that any insurgence of military power that ends the democratic government in Pakistan will also automatically end U.S. aid to Pakistan. The United States has a law requiring the banning of aid to countries whose governments were changed by military or communist uprising. The senator explained that this law was in effect during Zia's time, however, because of the seriousness of the situation, Pakistan was made an exception to this law.

We ask why did the U.S. senator have to come to Islamabad to remind us, in a press conference, about a U.S. law that would end all aid to Pakistan in the event of a military uprising? While he said in answer to a question that this announcement has nothing to do with the present situation in Pakistan, he also admitted that Pakistan needed help in establishing a strong democratic system as it has experienced the democratic form of government for only 10 years of its 40 years of existence.

The U.S. senator's efforts to caution us indicate that the U.S. government circles have begun to suspect that conspiracies are being hatched to uproot the present democratic government and replace it with a military regime. This is supported by various incidents in this country, antigovernment statements and activities, and the spread of rumors. For example, the rumor that Pakistan's prime minister had resigned was floating around only recently. A Lahore newspaper even published a special supplement on this issue. Some people then spread the rumor that President Ghulam Ishaq Khan had also resigned. During this time, news of a conflict between the president and the prime minister circulated freely. The people who oppose democracy, and who had asked the armed forces to initiate martial law when Zia died in the airplane accident on 17 August, have asked the president several times to use his constitutional powers for a martial law government. These people mercilessly spent the taxpayers' money at their disposal to celebrate the death anniversary of the late dictator on 17 August in Islamabad. According to some sources, the drug mafia had given these people millions of rupees for this purpose. They had planned bloodshed on a large scale in Rawalpindi, Islamabad, and other large cities. The main purpose of all these arrangements was to disrupt the country's administration, to spread disappointment and distrust among the people, and to make them suspicious of the elected government. This would have provided an opportunity for another adventurer to eliminate another democratic government and sit on the throne. In this way, these people would have succeeded in hiding their past deeds. They would not have to be accountable for the money they looted from the country. Instead, they would have started to loot the country's remaining resources and established another ominous military dictatorship with the help of Zia's close associates in the political and religious groups that have only a few hundred members. However, the elected government acted very diligently, and aborted the conspiracy making sure that there wasn't even a single incident of disruption. After the failure of this Nawaz Sharif show in Islamabad, they staged a bloody drama in Karachi the following day. Various incidents of violence, the demand for interim elections, encouraging the president to use his constitutional powers, and the demand to call a session of the National Assembly are all parts of the same plan. The people would have never known the difference between a Muslim and an infidel if Zia had not ruled this country. Similarly, the people would not know the difference between the supporters of democracy and partisans if Benazir Bhutto was not the prime minister.

The direct or indirect supporters of Nawaz Sharif are the enemies of democracy and the friends of dictatorship, regardless of how much they support democracy in their talks. Those who are outside of Nawaz Sharif's camp or are working against him are the true supporters of democracy.

It is important to elaborate here. It is commonly believed that a vast majority of Pakistan's population is pro-democracy, because it believes that a democratic government will get U.S. aid. They are opposed to a military dictatorship because they are afraid that it might stop U.S. aid.

It is the United States government's own affair whether or not to help someone. As for the people of Pakistan, they consider democracy important for the country's development and welfare. They want democracy for this very reason and do not care whether or not the United States helps Pakistan. They also consider a military dictatorship detrimental to Islam, human rights, culture, and civilization. Therefore, they oppose it vehemently, whether or not other countries such as the United States or the Soviet Union help them.

Drug Mafia, Nawaz Sharif Allegedly Active Against Bhutto

46560068b Karachi AMN in Urdu 18 Aug 89 p 5

[Editorial: "Drug Mafia's Threat to Federal Government"]

[Text] The federal government, led by Prime Minister Benazir Bhutto, is fighting battles on two fronts simultaneously. The drug mafia is on one side, and Nawaz Sharif's IJI [Islamic Jamhoori Ittehad] and the Punjab government are on the other side. Offhand, it cannot be said whether these two fronts are two faces of the same coin or if they are unrelated. In Sarhad, both are trying to break up the PPP [Pakistan People's Party] government. According to some news reports, members of the Sarhad assembly have been offered as much as 50 lakh rupees to join the IJI. Obviously, neither the IJI nor Nawaz Sharif has access to such a large sum of money. We are sure that this money is being offered by drug smugglers. This means that these two have joined forces in Sarhad to uproot the PPP government.

The drug mafia's efforts to break up the PPP government in Sarhad are understandable. This state is their headquarters, and the PPP, which rules Sarhad, has announced strong action against drugs. Therefore, the drug dealers are trying to get rid of the PPP at any cost. As Benazir Bhutto said, "the plan to uproot the PPP government in Sarhad was made at exactly the same time that my government announced its plans to launch a campaign to totally eradicate drugs from our society, and to take stronger action against drug smugglers."

There is no denying the fact that the arms of the drug mafia are very long. It has a lot of money, and its roots are spread all over the country and abroad. Only God knows how many of its agents are working in the government and are our elected officials. Therefore, the drug mafia's threat against the federal government, that "it would be very dangerous to take action against the drug smugglers; they have unlimited wealth and no body can hurt them," is not baseless. We can assume that they are closely associated with influential people in the

country, and that their goals are dangerous. So far, neither the smugglers nor Nawaz Sharif and his personal party, IJI, have succeeded in buying anyone for 50 lakh rupees.

As for Nawaz Sharif and his personal party, for political and practical purposes, they will benefit if the PPP government loses in Sarhad and at the center. Democracy and democratic forces will gain momentum under the PPP rule, and those who have accumulated wealth by illegal means will have to return it. All of the people who were favored by the late dictator for 11 years, and who had procured wealth illegally, prefer a martial law regime

over a democratic government. After all, they do not have to be accountable to anyone during a martial law regime.

Prime Minister Bhutto already has many problems within the country and abroad. The drug mafia and Nawaz Sharif are trying to create more problems so that democracy does not succeed in the country. We cannot ignore the drug mafia's threats and the accompanying violence over religious and regional issues, the widespread subversive activities, and the assassination attempts on important leaders.

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