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Near East & South Asia

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REGIONAL AFFAIRS

Growth Expected in Gulf Economies

44040523 *Dubayy AL-BAYAN in Arabic 12 Jul 89 p 3*

[Article: "Economic Performance Projections in GCC Countries. Economic Growth Rates in Arab Gulf Countries Expected to Rise in 1989"]

[Text] This year's estimates point to a slight rise in the GCC [Gulf Corporation Council] countries' gross economic growth, measured by gross local product indicators, as compared to last year's figures.

Economists and bankers believe that 1989 shall witness a general rise in GCC gross local product growth rates in the non-oil sector.

A relative rise in government spending rates in many of the GCC countries is also expected. This is in addition to a growing increase in local demand, spurred by a greater sense of confidence within the private sector in the Gulf economies' ability to support their growth rates and to expand their activities gradually as of this year.

In a recent report, the Arab Gulf Bank expected GCC local economic leading authorities to mobilize their huge financial resources with a view to setting up new projects and expanding existing ones now that conditions between the Gulf banks have settled down as a result of the ending of the Iraq-Iran war and a growing tendency toward peace.

On the other hand, the bank expected some local capital invested abroad to be returned to the country in the wake of growing risks associated with investing in world markets.

Positive Indicators

The Arab Gulf Bank cited some significant indicators that have influenced the GCC countries' economic performance and has created a climate of optimism. The most notable indicators are:

The OPEC agreement to set the production ceiling at 18.5 million barrels a day for the first half of 1989.

Increase rapprochement between the two superpowers and possible concomitant relaxation in the world economy.

Stable dollar exchange rates in world markets and the positive impact this has had on the Gulf currencies that are tied to the dollar.

The fact is that these factors, put together, in addition to the failure to cut the recently published 1989 Saudi budget and this year's expansionary budgets of Kuwait, Oman, Bahrain, and Qatar, have generated a climate of optimism in the region.

It is an undisputed fact that the 22 percent decline in last year's oil prices, from an average of \$17.5 a barrel for Arabian light crude in 1987 to an average of \$13.7 a barrel in 1988, has had a great impact on external sectors as a whole. Various GCC local product sectors have maintained [as published], from 20 percent for Bahrain and 28 percent for Saudi Arabia and over 35 percent for other countries in the region. Saudi Arabia, Kuwait and the UAE [United Arab Emirates] had raised their oil production rates to make up for the price decline. There are no official figures on the region's gross local product growth rates for 1988, save for Saudi Arabia that reported an improvement over last year.

Non-oil economic sectors continued to grow in 1988 and local demand rates recorded a considerable rise in the last quarter of the same year. The most notable indications of this growth are the remarkable improvements in trade activities, in retail operations, in higher commercial bank profits, in the gradual recovery of the construction and housing sectors, and in higher rents and real estate prices.

Better Growth Opportunities

Projections indicate that overall gross local product growth in various GCC countries will record a slight increase this year compared to last year. Non-oil gross local product growth rates are also expected to be enhanced in view of this year's expanded budgets and higher government spending in many of these countries. Local demand is also expected to continue to grow as a result of increased private sector confidence in the local economy, especially now that the Iran-Iraq war, the major problem in the region, has come to an end. With the growing tendency toward peace, local economic leading authorities are expected to mobilize their huge financial resources to set up new projects and expand existing ones. It is also possible now to reexamine investment decisions that have been suspended for the last eight years because of the war.

Return of Funds

These positive developments and the growing risks associated with world investments are expected to effect the return of some local capital invested abroad. Higher stock prices and declining foreign assets at commercial banks indicate that this tendency actually began the second half of last year. Let us now review the situation in each of the GCC countries separately.

United Arab Emirates

Most estimates indicate that economic activities in the UAE have experienced some slowdown in the past year following a marked 9 percent increase in the previous year. Furthermore, economic activities in non-oil sectors have made up for, and indeed, have exceeded the rate of decline in the oil sector. The growth rate of these sectors amounted to 6 percent compared to 2.4 percent for the previous year, while oil sector contributions to the gross local product dropped from the 1987 level of 36.6 the

countries gross local product [as published] at a rate of 0.07 percent. The sectors that played a major role in the non-oil gross product are: trade, resumption of exports to Iran in particular; industry, with the rise of the Jabal 'Ali free zone as an important sector in the production of commodities marketed worldwide; and the building and insurance sectors.

Saudi Arabia

Nominal 1988 gross local product growth rates were lower than the previous year's levels. This is attributed to declining oil revenues and the non-oil sectors' failure to make up for this decline despite the great gains they achieved during the year in question. Saudi Arabia has recorded a gross local product growth rate of 4.3 percent in nominal figures compared to 3.1 percent for the previous year and to high negative growth rates recorded from 1983 to 1986. Figures put out by the Saudi authorities indicate that the non-oil gross local product improved at a rate of 1.6 percent in 1988 compared to 0.8 percent in the previous year, and to the 1986 and 1985 decline of 3.2 percent and 8.3 percent respectively.

Kuwait

Kuwait began its economic recovery in the second half of last year right after a cease-fire was declared between Iraq and Iran. The gross local product's 1988 growth rate was estimated at about 2 percent, as opposed to 5 percent for the previous year. Furthermore, Kuwait has increased its oil production, from an average of 1.25 million barrels a day in 1987 to an average of 1.5 million during last year, to make up for the decline in oil prices. Moreover, the non-oil gross local product, which in 1987 accounted for 62 percent of the gross local product, continued to rise at a rate of 5 percent in 1988.

Qatar

It is obvious that the decline in oil prices last year has had a tangible impact on the Qatari economy in which oil accounts for up to 90 percent of export revenue. Therefore, it is believed that the gross local product dropped at a rate of about 2 percent in 1988 following a positive growth rate of 1.7 percent in 1987 in the wake of a sharp decline of 18.5 percent in the previous year. It is also believed that the oil sector's production, which accounts for 30 percent of the gross local product, declined by 4 percent in 1988 at a time when the non-oil gross local product went up 0.5 percent compared to 0.6 percent for the previous year.

Bahrain

Declining oil revenues have had an effect on the Bahraini economy's external sectors while local activities continued their recovery which began in 1987. Expansion plans, in heavy industries (aluminum and petrochemical) in particular, as well as a marked improvement in banking and tourist activities, have contributed to the continued growth in the non-oil gross local product, for the 1988 growth rate is estimated at about 3

percent compared to 1.5 percent for the previous year. Furthermore, commercial banks have derived benefits from two major factors: first, doubling the volume of treasury bonds issued by the Bahraini Monetary Institution to 75 million Bahraini dinars (\$200 million); and second, increased loan opportunities for new projects.

Sultanate of Oman

As for the Sultanate of Oman, the Omani economy is adjusting to more modest growth rates in the wake of declining oil prices. Nonetheless, oil remains the backbone of the country's economy, for its revenues account for four-fifths of export revenues, not to mention the fact that it contributes more than 40 percent of the gross local product. The gross local product is expected to decline at a rate of 1.6 percent in 1988 compared to a positive growth rate of 7.5 percent in 1987.

Causes for Drop in Arab Iron Products Listed

44040553 Doha AL-'ARAB in Arabic 8 Jul 89 p 5

[Report by the Qatar News Agency: "Study by the Arab Iron and Steel Federation Says Lack of Coordination Among Arab States Lowered the Productivity of Works. Arab World Produced 13,000 Metric Tons of Pig Iron in 1980"]

[Text] A study published recently in Damascus said that the Arab nation produced some 13.675 million metric tons of pig iron in 1980 of which exports accounted for 69 percent and consumption for 21 percent.

It pointed out that 14.715 million metric tons were produced in 1981, of which 10.363 million metric tons were exported. In 1982, production amounted to 14.691 million metric tons of which exports accounted for 9.674 million metric tons or 66 percent.

The study, prepared by the Arab Iron and Steel Federation, added that there was a 5.8 million ton gap between production and consumption in 1985 and that the gap will increase to 10 million tons in 1990 and to 17 million million tons in the year 2000, despite new projects currently being implemented or in the planning stages.

The Federation criticized the lack of coordination among Arab producers of iron and steel, blaming it for rising production costs and industry losses which discourage the Arab countries from building new factories for such industries.

The study reviewed the history of iron and steel manufacturing in the Arab nation saying that the first iron and steel works was founded in Egypt in 1947. It was a semi-integrated facility that used electric furnaces to produce reinforcing rods, bars, wire, and light-weight clippers. In 1956, also in Egypt, the first integrated iron and steel complex was built at Hilwan. Algeria built its first iron and steel facility in 1956 at the city of Oran, using open forge technology to produce reinforcing and wire rods.

In the early 80s the iron and steel industry spread widely in the Arab World. Integrated, semi-integrated works, and foundries were built in most Arab states.

Syria founded at Hamah a company for the manufacture of iron, steel, and steel products. It included a unit for forging reinforcing iron and wire rods. Foundries are spreading in Morocco, Algeria, Tunisia, Libya, Egypt, and Saudi Arabia.

The report said that foundries in the Arab world have an aggregate nominal capacity of 9,605 million tons of linear and sheet products. More importantly, they have a total capacity of 5,483 tons of reinforcing and wire rods or 57 percent of total production; 3,542 million tons of sheet iron, or 37 percent of total production; and 580 million tons of cast iron, or 6 percent of total production. Linear products account for 6,063 million tons or 63 percent of total forged products.

The study said that actual production of forged linear and sheet products amounted to 5,297 tons in 1986, increasing by 15.5 percent to 6,268 tons in 1988. Despite this increase, actual production remains relatively weak in comparison with existing nominal capacities of the Arab World.

Mr. al-Hashimi Bin-Salim of the Arab Iron and Steel Federation's secretariat, in a lecture at a recent Federation symposium in Damascus, attributed the low actual productivity of Arab works to lack of technological mastery in general, the shortage of qualified and skilled technicians, the absence of applied scientific standards at many works, and the lack of or improper implementation of maintenance programs to keep the works at peak capacity. Long down periods are caused by the unavailability of spare parts in the right quantity at the right time. The high turnover of workers at some facilities was also cited as an important reason for weak productivity.

The Federation's study said that reinforcing rods and wire accounted for 64 percent of aggregate foundry products in the Arab world in 1980, flat products accounted for 28 percent, and cast iron for 7 percent. This continued to be essentially the same in 1988 with reinforcing rods and wire still in first place at 69 percent.

Egypt is the largest producer of forged products, followed by Algeria and Saudi Arabia. The three countries account for 72 percent of total Arab production in 1988.

Total apparent Arab World consumption of various foundry products amounted to 9,423 million tons in 1986, dropping slightly to 8,493 million tons in 1988. Saudi Arabia is the largest apparent consumer of forged products in the Arab world, followed by Egypt and Algeria. The three nations accounted for 70 percent of total Arab consumption in 1988.

Imports still play an important role in meeting Arab demand, amounting in 1987 to about 3,369 million tons

or 40 percent of aggregate apparent production of foundry products in the Arab World.

The study said that the apparent consumption of sheet products amounted in 1986 to 3,340 million tons, dropping to 2,996 million tons in 1988. Of that, Algeria's share is most important at 40 percent, followed by Egypt's at 20 percent, and Saudi Arabia's at 19.7 percent.

The study forecasts future demand for forged products at 16.5 million tons in 1990, 23.1 million tons in 1995, 30.8 million tons in the year 2000, and 23 million tons in 2005, when it will represent 56.6 percent of aggregate demand for forged products. Future Arab world demand for cast iron is forecast at 2.8 million tons in the year 2000 and at 3.6 million tons in the year 2005, when it will mount to 9 percent of aggregate forged products. Future demand for sheet products is forecast at 10.9 million tons in 2000, increasing to 14.7 million tons by the year 2005.

The study reviewed projects planned for new works in the Arab world saying that the aggregate productive capacity of projects under study or implementation amounts to 6.29 million tons of various forged products, including 2.180 million tons of reinforcing rods and wire, 1.410 million tons of cast iron, and 2.7 million tons of sheet-metal. New capacity for sheet-metal is concentrated in the Misratah complex in Libya. Available data indicates that the Balazah project in Algeria is nearing completion while other projects are still under study.

The study said that if all those proposed projects were to be completed on time, the Arab World productive capacity of forged products would amount in 2005 to about 15.7 million tons, of which 48.7 percent, or 7.6 million tons, would be in reinforcing rods, in addition to 6.1 million tons, or 39.3 percent, in sheet-metal.

The study concluded by emphasizing the importance of Arab complementarity in the forging industry. This means that no Arab land can create an integrated forging industry without other Arab countries which may be a source of raw material or have suitable markets to absorb the product for meeting domestic demand. Forging industries cannot succeed without such complementarity because they would be liable to huge losses were they to lack the raw material to operate at peak capacity, or the markets to move the product.

Establishing an integrated Arab forging industry will contribute greatly to lowering the cost of production and the amount of required capital. This can only be accomplished through integration and coordination in order to resolve all problems and remove both operational and marketing obstacles.

Tunisian Minister Claims Excellent Maghreb Cooperation

45190125 Casablanca LA VIE INDUSTRIELLE ET AGRICOLE in French 5 Jul 89 pp 5-6

[Interview with Tunisian Transport Minister Ahmed Smaoui; date, place not given]

[Text] During a visit to Tunis, we met with Ahmed Smaoui, expert on tourism and Tunisian minister of transport.

With his customary courtesy, he was kind enough, despite a busy schedule, to grant us a bit of his precious time to talk about the situation in international air transport and to outline the main elements of transportation policy in Tunisia and the Maghreb.

The text of that interview follows.

[LA VIE INDUSTRIELLE ET AGRICOLE] Mr Minister, what is your opinion of the liberalization of air transportation? What strategy do you plan to draft?

[Smaoui] It is clear. Our strategy on air transportation is based on a general philosophy drawn up by the Tunisian Government, which is a policy to liberalize the entire transport sector, with the exception of the railroads, and for good reason.

Road, maritime, and air transport in Tunisia are now the target of a liberalization and privatization effort. It is a difficult but necessary task.

In air transport, we must increase our share of the tourist market. Over the past 5 years, Tunisian tourism has developed faster than the Tunis Air fleet. Our national company, Tunis Air, has tried to increase its share of the market and made substantial gains in productivity. Now it has leveled off. Despite the efforts made, it does not have its proper share of charter traffic and that share is actually declining to the benefit of European companies. If we want to secure, solidify, and consolidate our tourist sector, we must improve our overall share of charter transport, the share under our national flag. The options drawn up are such that if it does no more than maintain its current share, it will already be an excellent performance. It is, therefore, necessary for other operators to take up the slack in order to help expand the share under our national flag, but this must never take place at the expense of the national company. To date, the role of aviation officials and the Ministry of Transport has been to support the national company. That role will continue and even expand, but a new role will be added, that of an arbiter laying down the rules of the game and strictly enforcing them.

Privatization is necessary because the government can no longer continue its financing effort. At the present time, the Tunisian Government finances the purchase of planes, ships, buses, and so on. Now it says, "Why should investment, commercial, and private banks not take over and make that investment?"

[LA VIE INDUSTRIELLE ET AGRICOLE] Then the role followed by your ministry is that of arbiter?

[Smaoui] If need be, to establish the rules of play, prevent interference, and expand the share of traffic flying the national flag. And another very important argument: to introduce competition and put an end to the monopoly, hoping that such competition will generate improvements in the quality of service. This is very important for air transportation, but also for maritime and road transportation.

We are absolutely convinced that the multiplicity of operators introduces greater efficiency in management, elements of comparison, and a general improvement in service, because the customer, whether foreign, Tunisian, or local, has the possibility of choosing. That is fundamental.

We have followed a monopolistic policy that was essential in a given historical context. It yielded results that we do not regret or deny, but service activities are extremely competitive in the world today. At any rate, our airline companies are essentially active in foreign markets that are wide open.

[LA VIE INDUSTRIELLE ET AGRICOLE] I do not understand why Tunis Air's share of the market is declining when it has all the assets and prices to compete.

[Smaoui] Its share of the market is declining because the decisions that should have been made at the proper time about renewal of the fleet were not made, and it was not until 1988 that the decision was finally made to renew the fleet.

[LA VIE INDUSTRIELLE ET AGRICOLE] Then it is not just a matter of prices?

[Smaoui] Not at all. In terms of competitiveness, Tunis Air can penetrate the most important tourist markets. With the type of equipment and planes it has and at this stage in the amortization of its fleet, Tunis Air can compete but not increase its traffic because with 15 planes, Tunis Air flies 40,000 hours a year. We do not have the capacity.

The growth of Tunis Air's fleet has not kept up with the growth rate of Tunisia's tourism.

I will give you the figures for the past 3 years, simply to give you an idea.

We went from 1,502,000 tourists in 1986 to 1,874,000 in 1987, and 3,460,000 in 1988. Naturally, there are 1,200,000 Libyans. At the same time, Tunis Air did make substantial gains in productivity. Our planes have flown more, but we could go no further. Figures for European tourists coming here are even more significant. We went from 1,135,000 in 1986 to 1,550,000 in 1987 and 1,700,000 in 1988. These hundreds of thousands of tourists that come in every year have to be carried. To do so, the charter share has steadily dropped. Very frequently, we have had to make very hard choices

because Tunis Air and Royal Air Maroc are joint private and public companies with both regular and charter flights. Charter is an excellent addition and regular flights are a more lucrative activity. When what is lucrative has to be sacrificed for the sake of what is economically more attractive: tourism, because it means foreign exchange, that difficult choice has to be made.

[LA VIE INDUSTRIELLE ET AGRICOLE] You have recently held meetings on the Maghrebian level. You know that without transportation or the development of means of communications, there would be no inter-Maghrebian expansion. Have you thought about a price strategy? The fact is that all Maghrebians think it is too expensive. It is too expensive to fly.

[Smaoui] First of all, I would tell you that the fact that Maghrebian ministers have been meeting every month or practically every month for some time now is an eminently positive development. This had not been the case for years and there is now an excellent climate of understanding between Maghrebian ministers. That climate of understanding and trust will form a basis for more extensive work. The atmosphere now observed between ministers is gradually developing in all other structures. Not a week goes by without a conference somewhere, either in government agencies or of operators: airline companies, ocean shipping companies, port or airport organizations, railroads or other means of transportation. I think that is extremely positive.

It is extremely positive because I believe there will be no Maghreb if we do not provide the means to move people between our countries. There will be no Maghreb if we do not substantially step up economic trade between our nations. Now then, to encourage the movement of persons or the shipping of goods and freight essentially depends on the existence of efficient systems and means of transportation. That is what we are after.

These efficient means of transportation are based on technical elements: planes, ships, and trains, but they are also based on a policy of rates that will promote the exchange of persons as well as goods. This has not yet been the subject of very precise discussions, but it is something we have in mind and we shall unfailingly get to it very soon, particularly since many of us already have rate policies. There are domestic rates that are attractive. I believe we have to consider the Maghrebian air space as a united air space just like the space of road, rail, and maritime transport. We must consider Maghrebian maritime activity as a lighterage activity and road and rail transport as domestic transportation and thus apply rates that will act as incentives.

[LA VIE INDUSTRIELLE ET AGRICOLE] What about maritime transport?

[Smaoui] As far as inter-Maghrebian service is concerned, we must organize a system of rotation and service between the different coasts and the different Maghrebian ports.

[LA VIE INDUSTRIELLE ET AGRICOLE] Is that true of freight and passengers?

[Smaoui] I am thinking much more about freight. Frankly, I do not have much faith in the future of passenger traffic except for pleasure cruises.

As I was saying, inter-Maghrebian service must absolutely be provided under good conditions. We are now considering and seriously reflecting upon the possibility of setting up a Maghrebian company. We would hope it would take the place of all bilateral experiments that have been conducted in that area and that have yielded only limited results. For example, there is an Algerian-Mauritian company, a Tunisian-Libyan company, a Moroccan-Tunisian company. They should all be merged into one within a Maghrebian framework providing good inter-Maghrebian service. A manufacturer in Casablanca who wants to ship goods to Tripoli should be able to find good connections, and an Algerian manufacturer who wants to export goods to Mauritania must be able to find the necessary means. There must be regular connections to carry the traffic.

That would be the first task to be assumed by the company we hope to create. The second would be to go to certain destinations now served fairly well by a number of outfitters, for example, service to the West African coast, to the Middle and Far East, service to South America or North America, with each owner retaining the essential portion of his traffic. With respect to countries in the northern Mediterranean, the North Sea, or the English Channel, I think that in Maghrebian terms, structures would have to be set up rapidly enough to give credibility to our proposals, but within a reasonable time framework to prevent "flash-in-the-pan" operations: companies full of promise in the beginning that later die out. We must think in short-, medium-, and long-range terms, not try at all costs to plan for forced mergers or upset the whole system. These new structures must, first of all, be used to develop new areas of the market in which we were not active or which we served separately but poorly.

[LA VIE INDUSTRIELLE ET AGRICOLE] And what about that Maghrebian airline company so widely rumored in the press?

[Smaoui] We are also thinking about that, but I think it will be more difficult to establish. It will be more difficult to set up because of the particular limitations on each of the companies. We have "technical" traffic, meaning emigrant workers. Two of the Maghrebian countries have a very well-established tourist policy; others less so. Speaking quite objectively, this means that reconciling interests will take time. It will certainly take longer to set up.

[LA VIE INDUSTRIELLE ET AGRICOLE] Is it the same goal as that of the company set up in the 1970's? Was that Air Maghreb?

[Smaoui] I will tell you one thing: The situation has changed completely. Throughout the world, we are witnessing a veritable concentration of air transport. It will be very difficult to remain on the outside.

Mergers shaping up between European giants such as Air France and Lufthansa, the one that just came about between KLM, Sabena, and British Airways, give you an idea of these major developments, in the face of which it is illusory to think that Royal Air Maroc or Tunis Air can "make the weight." We are part of a historical logic that will impose changes upon us and they may be cruel ones.

The sooner we get moving, the better we shall be prepared and the greater chance we shall have of succeeding.

Joint Chemical Industries Accord With India Signed

44040543a Riyadh AL-RIYAD in Arabic 2 Jul 89 p 15

[Article: "Jordanian-Indian Accord on Joint Industries Valued at \$1.2 Billion; India Urges Increased Jordanian Importation of Its Products to Narrow Trade Balance Gap"]

[Text] Jordan and India have concluded an initial accord to set up joint chemical projects valued at \$1.2 billion. The accord was signed at the conclusion of a 2-day investment symposium in which 120 Jordanian businessmen and 20 Indian counterparts participated.

The projects on which an initial understanding has been reached include a project to produce phosphoric acid at a capacity of 600,000 tons annually, to be fully marketed in India. This project, which will cost nearly \$400 million, is planned to be built in al-Shidiyah area, Southern Jordan. This area abounds with phosphoric rock, and the reserve discovered to date is assessed at 1.3 billion tons at least. Phosphoric acid production will consume the equivalent of 2 million tons of phosphate and 200,000 tons of sulfur which will be imported from Iraq. This is why an Iraqi delegation participated in the Jordanian-Indian talks held between the Jordanian Phosphate Mines Company and (Modi), an Indian company. The talks will continue between the two sides with the purpose of working out the full details. Indian participation in the project will be mainly in the form of engineering equipment for the project.

If matters proceed as planned and if the project comes into existence with India's participation, this will be the first practical embodiment of the Indian engineering industries' entry into the market exporting heavy equipment to Jordan. This is an objective which Indian officials, who are eager to remind that India is the seventh most important industrial country in the world, aspire to achieve.

The Indian side also aspires to contribute in a major way to supplying equipment to other chemical projects connected with the phosphate and fertilizer industry. The projects are to be included within a vast chemical

complex proposed to be built on the Dead Sea coastline to exploit the salts and minerals stored in this sea's water.

This broad agreement on the phosphoric acid project is the most significant element in a number of initial accords concluded during the 2-day investment symposium held in Amman in the first half of last June to discuss developing economic cooperation and increasing the trade volume between Jordan and India, which is the biggest importer of Jordan's mine products, including phosphate, potash, and fertilizer.

The holding of this symposium represents the first serious attempt to deal with the major disparity favoring Jordan in its trade relations with India. Whereas India imports \$110-\$120 million of Jordan's phosphate and potash, Jordan's imports from India did not exceed \$10 million in 1988, representing a drop of nearly 1/3 its imports in the preceding year.

Indian officials do not hide their feeling of frustration because of the Jordanian importers' continued reluctance to purchase Indian goods. In this regard, Gursaran Singh, India's ambassador in Amman, was eager to point out to his audience, the Jordanian businessmen participating in the symposium, that his country produces numerous high-quality manufactured products, including refrigerators, television sets, chemical products, and all kinds of equipment.

An obstacle facing the development of Jordan's imports from India is represented in the importers' ignorance of the goods offered by the Indian industries. It has been agreed to deal with this issue partially by organizing an Indian products fair in Amman next September. But Jordanian merchants express on their part the opinion that the Indian exporters' timetables cannot be trusted completely, and neither can the compatibility of the products they export with the agreed specifications.

On their part, Jordanian officials do not conceal their firm conviction that Jordan has an important interest in meeting the Indian side's demand for narrowing the gap in the trade balance between the two countries.

A high-ranking official of the Ministry of Commerce and Industry has pointed out that India's market absorbs more than 20 percent of Jordan's total exports, embodied mainly in phosphate and potash.

On the basis of this conviction, the Jordanian Government has advised the Jordanian private sector to try to increase its imports of Indian goods with the aim of raising these imports to \$40 million, a figure which the Indian side believes meets the objective. But it seems unlikely that this figure will be attained because of the scarcity of foreign exchange and the tendency to reduce Jordanian imports from abroad.

This is why the idea of making up for the flaw in the balance of trade between Jordan and India by adopting one of the following two methods or both methods has gained strength:

The first method is to assign Indian firms to implement construction or industrial projects in Jordan, provided that the cost of the projects be repaid in phosphate and potash exports. An Indian firm has actually been assigned to implement an enormous desert highway project, as well as a number of smaller construction and industrial projects, whose cost will be paid in mineral exports.

Trade Partner With Important Characteristics

It is no longer easy to apply this method in light of the tendency to suspend infrastructure projects because of the economic circumstances Jordan is experiencing currently.

This is why consideration has been given to setting up partnership-style projects similar to the phosphoric acid project and another project, on which agreement was reached during the investment symposium, to build an \$15-million textile plant.

These projects, plus the other agreements currently under discussion, represent the first embodiment of Crown Prince Hasan's call for establishing a strong bond between India's technology and expertise on the one hand and Jordan's raw material resources and its marketing advantages on the other.

In an address to the investment symposium, Prince Hasan expressed his conviction that the door is wide open for establishing large-scale cooperation between Jordan and India, provided that this cooperation assume the form of joint production projects. Prince Hasan asserted that such projects will find ready markets for their products by virtue of Jordan's central location on the one hand, and of its commercial ties with the Arab countries, especially those within the Arab Cooperation Council, on the other.

Raunaq Singh, the chairman of the Indian side to the investment symposium, agreed that there are two advantages that make Jordan a desirable partner to Indian businessmen: The first advantage is Jordan's membership in the Arab Cooperation Council—a membership which makes Jordan a ready gateway to a market with a population of more than 80 million people.

The second advantage is that Jordan's industries have not been subjected so far by the United States and West Europe to the set export-quota system. Indian businessmen do not hide the fact that they aspire to infiltrate the European markets through Jordan.

During debates in the symposium, which will be resumed later this year, it became evident that both sides are interested in setting up joint plants to produce glass,

electricity and telephone cables, industrial casing materials, fans, vehicle spareparts, readymade clothing and agricultural pumps.

Life on Lebanese-Israeli Border Described

44230161 Tel Aviv BAMAHA
in Hebrew 26 Jul 89 pp 16-17

[Article by Gil Sadan: "Fata Morgana"]

[Text] Attention vacationers: There is a spectacular tourist spot, not far from the daily hubbub, which Israeli tourists seldom visit. It is a beautiful resort area boasting fresh air, idyllic atmosphere, clean and secluded beaches, wonderful food, ridiculously low prices, and in which the Israeli government will invest \$1.5 million in roads alone.

However, this special place, whose attractions we have not exaggerated one iota, is for the time being out of reach, although some day it may perhaps become a tourist spot. A short tour of the security zone in southern Lebanon certainly makes one want to stay a few weeks in the village of Naqura on the western slopes of the Lebanese Galilee, and from there to go down to the beach every once in a while, to enjoy the seafood restaurants, and to go on a shopping spree in the duty-free stores across the road from the UNIFIL [UN Interim Forces in Lebanon] headquarters in Naqura. Money is no problem because in southern Lebanon one can live on \$200 a month.

How easy it is for the visitor to be led astray by this fata morgana of temporary peace and to forget that some 7,000 terrorists returned to neighboring Tyre since the Lebanon war, and that bitter Amal members are sitting in al-Nabatiyah oiling their weapons and eyeing the region. The reason that it is so easy to fall prey to the illusion is that at the moment the security zone radiates more security than ever before. It is a two-way radiation. South of the area, IDF [Israel Defense Forces] soldiers and the South Lebanese Army [SLA] have managed to put a stop to attacks on our northern settlements; at the same time, last spring some 25,000 Beirut residents escaping the shelling came down from the north to find refuge with their families in the quiet south. Almost deserted villages like Kunin and Qantara have come back to life.

Husayn and Salmah Salah are among the refugees. "We didn't know where the shells were coming from," Salmah said. "Every day, boom, boom, boom. One shell fell on the house next to us and killed a neighbor." The Salah family went south. Salmah carried 4-month-old baby 'Ali in her arms.

The Salah family came back home to the Shi'ite village of Ramiyah. Husayn, 30, had left his parents' home in his early youth and gone north to the capital before the Lebanon war, at a time when Beirut was teeming with businessmen, tourists, and terrorists. Until the last wave of hostilities last March, the family lived on \$70 a

month, which was how much Husayn earned as a waiter at the Summerland Hotel. Now the hotel is deserted. Bakeries hardly have any bread. Water and electric power are rationed.

Being Shi'ites, the road south along the coastal highway was open to them. Christians were forced to sail from Juniyah and go by way of the sea. Most of them escaped to Cyprus, while some landed in Naqura. But the great majority of recently arrived refugees in south Lebanon are Shi'ites. For Israel this was an additional opportunity to show off south Lebanon as a security zone for everyone, not just Christians.

By noon the Salah family members had made it beyond Hamra, halfway between Tyre and Naqura. They did not have to wait there either. On the southern side of the roadblock SLA people handled them like at any other international crossing point.

At the gate to the crossing point between the wild north and the security zone, manned by SLA troops, a security apparatus (the SLA version of General Security), and Israeli Civil Administration people, they were met by a security officer, a young man dressed in plain clothes and carrying a submachine gun. He motioned them to cross the no-man's land between the UNIFIL position and the SLA position, and checked their papers. The husband and wife then passed through two search booths, each one manned by male and female civil administration workers, and within 10 minutes they were out of the crossing point and on their way to see their relatives.

The standard of living in south Lebanon was affected by the savage shelling in Beirut. Because of the war there were no more supplies of subsidized flour from the north at the ridiculous price of \$25 a ton. The civil administration was forced to pay real prices, closer to \$375 a ton, which means that each family's expenses increased by \$30 to \$45, which is a lot of money in south Lebanon. Last month SLA soldiers and other families close to the Israeli civilian administration received a flour supplement at \$35.

Almost all the people in the area are farmers. They grow mostly tobacco and some irrigated crops. A few people are manufacturers, of footwear and building blocks in particular. Some 2,000 lucky ones work in Israel. We said lucky, because the minimum Israeli wage, which is \$500, is considered a very respectable salary indeed in south Lebanon—four times higher than the monthly pay of an SLA soldier and five times higher than that of a teacher. Israeli work permits are not issued to just anyone. Preferential treatment is definitely given to relatives of SLA troops with a view to increasing service incentives.

Approximately 150,000 people currently live in the security zone, half of them Shi'ites, 30 percent Christian, 10 percent Druze, and 10 percent Sunnis. This is one of the very few areas in Lebanon in which members of different communities live together without killing each

other. A single SLA position may be manned by representatives of each community.

Another element in the area is, of course, the Israeli element—not totally accepted, but definitely the bosses. This is not quite occupied territory as international law defines it, but one that Israel shamelessly adopted until the day that it can be returned to its Lebanese owners with certainty that our northern settlements can sleep peacefully at night. All the sides with a finger in the Lebanese pie know full well that no stone can be moved here without the watchful Israeli eye spotting it sooner or later.

Under the Israeli umbrella the SLA led by General Antoine Lahd has established itself as the sovereign in the area.

In recent months Israeli police instructors revived the local gendarmerie to institute law and order, and four police stations were once again manned. The main mission of the police is drug interdiction. There is even talk of enforcing traffic regulations, which the average Lebanese driver refuses to recognize from his very first day behind the steering wheel.

There is almost no legal system. Once in a while a judge comes down from the north to rule on a few land disputes. Other disputes are resolved within the family or the village, by peaceful or not so peaceful means. Particularly difficult cases, such as murder suspects, are brought to trial before Gen Lahd. He is both the judicial and executive authority. Lahd, who was seriously wounded in an attempt on his life last 8 November (see box), is still the ruler in the area, ranking third after IDF and God.

"What do you mean, what will happen if Lahd won't be able to function?" storms Yosi Peled, commanding officer of the Northern Command. "What will happen when I am through with my job? Will the system collapse? The same applies to Lahd—when he goes, another will come in his place." This was said on the lower tier of an IDF bunk bed located in the Sha'alvon position on the northern border of the security zone.

In recent years the SLA has been truly revolutionized. After the IDF pulled out of Lebanon 4 years ago, SLA assumed responsibility for current security in the region. However, during the same period Hizballah hoped to ride the sweeping wave of terrorism that ruled in Lebanon in the IDF's last days there. Hizballah fanatics attacked SLA positions, took a few of them, and seriously hurt Israel's efforts to reinstate a friendly military power in southern Lebanon that could relieve the IDF of current security cares.

In February 1987 the IDF decided to turn the SLA into an army capable of holding positions, opening up roads, and lying in ambush. No more, but no less. Basic training was extended to 10 weeks, pay was raised, and men were sent to intensive training in the security zone. Commanding officers went to courses for squad commanders

and officers, and to professional courses such as those for medics, company commanders, and intelligence officers.

The IDF now hopes to achieve a complete separation between the two armies and to make the SLA as independent as possible. Although IDF officers still train brigade and division commanders, the formal chain of command from the IDF to the SLA has been broken. "It's not only a matter of giving them proper respect," said Brigadier General Ze'ev Zikhrin, chief of liaison with Lebanon. "We stress separation so that if one day we pull out of here, this can be a fully self-reliant army."

Zikhrin, 40, has been head of liaison for almost 1 year. He came to it after spending many years in Lebanon, among other things as office director to chiefs of staff Refa'el Eytan and Moshe Levi. He is the military commander and the civilian administrator. He is responsible for seeing to the local population having a good enough life so that they will prefer to cooperate with us rather than with the enemy.

Since January there have been more frequent attempts at penetration by teams of Palestinian terrorists than during the same previous period of years. Almost all of them were eliminated in the security zone by IDF-SLA joint action. Since last August SLA troops killed a considerable number of terrorists on their way to Israel and took a few prisoners. SLA soldiers eliminated two teams that were attempting to penetrate by sea.

While efficient cooperation between the IDF and the SLA has been increasing, so recently has cooperation among various terrorist organizations, among them cooperation between Shi'ite Hizballah and Palestinian organizations. Thus, for example, at the beginning of this month Hizballah members escorted a team of terrorists right up to the security zone border. At the same time, the Hizballah fired Katyusha rockets in the direction of Metulla. SLA soldiers killed two of the terrorists. They pursued the remaining terrorists, killed two others, but two managed to escape.

Paradoxically, after the Ayatollah Khomeyni's death the Hizballah began to make their presence felt in the area more intensively than before, particularly through attempts to lay mines and bombs in the security zone. On the other hand, recently the Hizballah has been losing ground in two areas. First, unlike 2 to 3 years ago, they no longer dare attack SLA positions because several such attacks ended in smarting defeat and many victims. Secondly, Hizballah found themselves fighting not only the IDF and the SLA, but also Amal, the secular Shi'ite organization. Amal has decided not to allow Hizballah to come down south, after bitter battles between the two Shi'ite organizations in the Tofah area at the beginning of last spring. The motive is not a sudden wish to please Israel and the SLA in the south; rather, it is their desire to show their might in the area and their determination not to relinquish their natural sphere of influence to Tehran-led fanatics.

The third side of the Shi'ite triangle is made up of Shi'ite fighters in the SLA. Last 6 November the deputy commanding officer of the SLA western brigade, Lieutenant Naji al-Hajj, went to Naqura on a fishing trip. He came back without fish, but with three dead terrorists. "I met some of our people near the port. A boy had told them that he had seen a terrorist in a diving suit and armed with a Kalatchnikov rifle under the bridge. I was wearing civilian clothes and no shoes. I took a weapon from the commanding officer of the neighboring position, took four men, and started out toward the bridge. As we came near the bridge, we saw someone looking at us. We opened fire and tossed three hand grenades in the direction of the bridge. After that we found three dead terrorists in the bushes. We thought we had gotten one terrorist, instead it was three. My men grew considerably taller at that moment."

Make no mistake, however. Those people are not great lovers of humanity who chose to fight our enemies out of greatly developed Zionist dedication. They did it because of the only two factors that really play a role in the bloody Lebanese arena: money and self-interest. They know that if they want to live in peace—as far as is possible in that crazy country—Israel is the right partner for them.

Hanna Jiris, 31, has been with the army for 17 years, having joined even before Major Sa'ad Haddad established the militias that defended Christian enclaves in south Lebanon. "I serve in the army because that's how I can defend my country," he said. Note that service in the SLA is not just a patriotic act, but also a source of income. Jiris makes \$126 a month; his pay comes out of Israeli coffers. That's pocket money by Israeli standards, but it is a nice salary by south Lebanese standards. For years Jiris has been serving at a forward reconnaissance post on the northern border of the security zone. His comrade in arms, Simon Altuniah, 29, said: "We are not Israel's mercenaries. We are independent, we are slowly advancing toward independence. True, we still have much to learn. You cannot erase differences all at once, but with IDF help we are slowly attaining the necessary professional level."

Approximately 2,200 men currently serve in the SLA. The Shi'ite village Yita ash-Sha'av, for example, was once an enemy village. Today it produces more volunteers than the army can absorb. The emphasis is now on consolidating and improving the existing army.

This year, through the Civil Administration, Israel will invest 8.2 million shekels in developing civil services and the infrastructure in south Lebanon.

The idea is clear: the better Lebanese do in south Lebanon, the better the situation of Israelis in north Israel. Both sides share a very basic joint interest: living in peace.

These days some 30,000 summer visitors from Arab countries will come to the area in addition to refugees from Beirut. Their numbers will not, for the time being,

include Israeli tourists. The Israelis will have to do without the charming scenery, inexpensive life, and bargains of Naqura.

One day, perhaps, as in the past, the roadblock barrier will be lifted at the Rosh Haniqra international border crossing, and Lt al-Hajj will stamp passports for incoming Israeli tourists. On second thought, when that day comes, al-Hajj will probably be fishing on the beaches of Naqura.

[Box, p 16] Attacker Waiting

Gen Antoine Lahd is slowly returning to normal activities after being seriously wounded in last November's attack on him. Although he still suffers pain and weakness, he goes to his office every day, receives people, and has even managed to go through another stormy experience when IDF soldiers by mistake opened fire on his convoy in south Lebanon. The attacker was a local young woman, a friend of the family, Soha Basharah, 21, who had most probably ingratiated herself with the Lahd family, especially with the general's wife Minrav in order to be able to get to him when her orders came.

She is now at Hi'am prison awaiting trial. No date has yet been set for the trial and no decision has been made as to who will be the judge. Gen Lahd said that he will not be the judge and that she will have a fair trial.

PALESTINIAN AFFAIRS

'Arafat Addresses 20th Month of Uprising

44040551b Nicosia FILASTIN AL-THAWRAH
in Arabic 16 Jul 89 pp 10-11

["Text" of speech by Yasir 'Arafat: "General Commander's Appeal on 20th Month of Intifadah: More Popular Committees, Both Quantitatively and Qualitatively; Intifadah Until State and Steadfastness Until Victory; Fascist Flee Toward Radicalism and Our Political Program Is Advancing"; first paragraph is source introduction; date and place not given]

[Text] In his appeal to his people, the heroic intifadah [uprising] people, the general commander has said: "We are advancing steadily toward our objectives whereas the fascist occupiers are retreating in confusion. In the coming phase, let us all, with our various organizations and opinions, unite our ranks behind the Unified Leadership. Let us entrench revolutionary discipline and let us continue developing the popular committees' structure quantitatively and qualitatively. Let us continue supporting the specialized committees in every position." The general commander also said: "Peace in Palestine should be the peace of the strong, not the feeble."

In the name of God, the merciful, the compassionate: "To those against whom war is made, permission is given to fight because they are wronged; and verily God is most powerful for their aid; they are those who have

been expelled from their homes in defiance of right, for no cause except that they say: Our Lord is God." God is always true.

O masses of the glorious popular intifadah, heroes of the sacred stones, strugglers in the popular committees, in the popular cadres, and in the strike groups:

O steadfast heroes in the steadfast and proud camps inside and outside the homeland, sons of our great Palestinian people at home and in the diaspora: With the onset of the 20th month of your triumphant intifadah's procession, a new chapter of the brave epic of the resistance you are waging is being crystallized; the edifice built by the sacrifices of the martyred, the wounded, and the imprisoned is rising and the accomplishments that have been accumulated and continue to be accumulated day after day are being entrenched to create the new Palestinian era, the era of the Palestinian stone, Palestinian steadfastness and Palestinian sacrifice. We are approaching the hour of victory. The virtues and capabilities of this intifadah as the most prominent and important revolution of its kind, not only in our people's history but also in modern history, are being confirmed. This intifadah is advancing toward the objective confidently, strongly and faithfully and with this iron will that has never weakened or wavered in the face of the occupiers' brutality but has continued and still continues to resolutely open the path toward freedom and independence.

Sons of our struggling Palestinian people: In recent weeks, the fascist occupation has loudly exposed the crisis the intifadah has created in its structure. In the face of our people's masses who continue to write the chapters of the resistance epic with mythical courage and with careful organization and planning, the occupation seems to be confused and unable to do anything but resort to further brutal oppression. By the admission of the military establishment's leaders, this oppression has been proven to be futile and useless in stopping the intifadah's sweeping current which is created by the steadfastness and originality of our people who believe in the dawn coming at the end of the path of inevitable and certain victory.

Beloved brothers: The fascist occupiers have declared a new phase in their war against the masses of the state of Palestine. They have launched the ugliest blockade and starvation campaigns through curfews, through sealing zones, and through their attempt to impose the racist identity cards on the workers of the proud Gaza Strip. They have intensified their mass arrest campaigns by throwing hundreds of our people's sons in the occupation jails. They have persisted in their deportation policy and in clearly escalating the policy of murder. They have instructed their troops to intensify the campaigns to pursue and intimidate our people's men, women, youths, and children. In a related development, they have given the settler troops a free hand to attack our masses, their villages, and their camps. They have dispatched their aircraft, their war vessels, and their guns to shell the

steadfast masses of our camps in Lebanon and shell Lebanese towns and villages.

In the name of God, the merciful, the compassionate: "Fain would they extinguish God's light with their mouths, but God will not allow but that His light should be perfected, even though the unbelievers may detest it." God is always true.

Makers of the blessed intifadah, this escalation has reflected the perplexity of Israel's rulers, and their powerlessness in the face of the accomplishments our people's cause is making daily, thanks to the resistance of the intifadah masses, to our people's mythical steadfastness and firmness, and to the support gained for our people's firm rights—including their right to repatriation, self-determination and to establishing our independent state, with the venerable Jerusalem as its capital—by the integration between the masses' movement and the revolutionary bases, and by the vigilant and purposeful political movement launched on various levels and fronts.

The most evident manifestations of the powerlessness and confusion in the ranks of the fascist Zionist occupiers surfaced after the Israeli Government failed to internationally sell its plan for elections in the occupied territories.

The recent resignations and transfers in the Israeli military establishment are a clear indication of the profound impact of the intifadah and of its established presence as a solid reality and a firm fact. The fascist can do nothing but flee to radicalism, to embracing radical political programs, to escalating the campaigns of oppression and terror, and to more crimes against our children, our women, and our masses. With God's help, all these campaigns have been smashed on the rock of valiant resistance, of deep faith, of solid unity, and of the firm solidarity of our masses in the villages, the camps, cities, factories, fields, and institutions.

Masses of our great people in the homeland and the diaspora: The Palestinian bird has continued to fly high, soaring toward freedom with the wings of the intifadah and of steadfastness, and entrenching the sacred unity of our people at home and abroad. Our people's cause has gained more backing and support, whether in the form of the support the joint European summit declared for the Palestinian peace initiative, or in the form of this summit's exposure of the Israeli plan to hold election in our land—unless this plan is tied to our people's right to self-determination, with all the other rights and contents this right entails. Moreover, this summit underlined the PLO's fundamental and vital role in any endeavor for a just and real peace in the region.

The UN Security Council has condemned the deportation of another group of our people's sons and cadres from their homeland. International campaigns have escalated in condemnation of the Israeli war of stultification against our students, of the occupation's closure of the universities, institutes, schools, and kindergartens,

and of its war against the Palestinian unions and institutions. There are also the positions of our friends in the socialist countries which confirm that these friends stand with our people and our just cause. Simultaneously, our people's friends in the Islamic, African, and nonaligned countries have continued their support and backing for our people, our revolution, and our objectives. The recognition by Greece, the first EEC country to recognize our Palestinian state, which came on the heels of the positive and successful visit to France and of our talks with the EEC, confirms the strength and firmness of this Palestinian right.

Masses of the sacred intifadah: This impetus which confirms the intifadah's effectiveness and strength, the capability of our masses and the soundness and credibility of the political program adopted by your PNC [Palestine National Council]—this impetus strengthens our ceaseless struggle, brings the hour of victory closer, and charges our confrontational activities in the various struggle arenas with redoubled strength. This impetus confirms the everlasting fact that the Palestinian figure is the difficult fundamental figure in the Middle East equation, and that there can be no peace, no stability, no security, and no solutions unless the Palestinian people's firm national rights are achieved, and unless the Palestinian flag is flown over Jerusalem's minarets, churches, and walls—over the venerable Jerusalem, the capital of our young state.

People of the sacred intifadah, heroes of the Unified National Leadership, of the popular committees, and of the strike groups, strugglers of the popular organizations, of the higher institutions and councils, of the youth, women's, students, workers, farmers, merchants, academicians, employees and craftsmen's unions. Women of my country and children of my homeland, brave, steadfast, and strong Palestinian men in every city, village, and camp...O brave nights embracing glory and pride in your cells...O wounded heroes who rise above their wounds...to you belong the glory and the victory, you who continue to scribe with your blood, your sacrifices, and your valor the most extraordinary resistance epic in our age. To you belong the honor and the pride, you who knock on the doors of freedom and independence. Greetings to you, you who plant our banner and flag on Palestine's soil. Our love to you, you who lay the foundations and build the structure of the state of Palestine on the soil of the beloved homeland and the soil of Jerusalem, the land of al-Aqsa Mosque, the cradle of Christ, may peace be upon him, and the land from which Prophet Muhammad, may God's peace and prayers be upon, ascended to heaven. To you belongs the future, you who write the song of resounding victory in Palestine, the land of peace—the peace of the strong and the brave, not the peace of the feeble and the defeated.

Masses of the sacred intifadah, masses of our people in all the struggle and confrontation positions: We enter today the 20th month of our blessed intifadah's procession while armed with greater confidence, with growing faith, and with firmer resolve. We are advancing toward

our objectives firmly, whereas the fascist occupiers are retreating in confusion. In the coming phase, let us all, with our various organizations and opinions, strengthen the unity of our ranks behind the Unified Command. Unity is our path to victory and solidarity is our path to defeating the enemy. Let us entrench the revolutionary discipline that has distinguished our masses' movement and let us consider it the mainstay of revolutionary popular action. Let us continue developing the structure of the popular committees quantitatively and qualitatively. Let us continue supporting the specialized committees in every position so that we may attract the capabilities of every Palestinian citizen for the long haul. Let us elevate the action in the good-will councils [majalis al-khayr] in every position, so that they may solve the citizens' daily problems, in order that we may increase our distinguished, qualitative, and strong blows through the strike groups, so that they may confront the organized Israeli terrorism and Israeli crimes with greater steadfastness and persistence, and may confront the campaigns of their fascist army, which is armed to the teeth with all kinds of sophisticated U.S. weapons, with the strikes and demonstrations of our masses who are armed with their faith, their vigilance, their unity, their flags, their sacred stones, and their creative methods. There is no retreat and no bargaining. We are advancing strongly, firmly, and faithfully on the path of Palestine, the rightful path. Let our slogan always be: Intifadah until the state and steadfastness until victory. Dawn is coming, victory is coming and the state is within a stone's throw.

In the name of God, the merciful, the compassionate: "We will, without doubt, help Our apostles and those who believe, both in this world's life and on the day when the witnesses will stand forth."

In the name of God, the merciful, the compassionate: "On that day shall the believers rejoice with the help of God. He helps whom He will and He is exalted in might, most merciful. It is the promise of God. Never does God depart from His promise." God is always true.

It is a revolution until victory.

Israeli Professor Discusses Industrial Growth in Territories

44040551a Jerusalem AL-USBU' AL-JADID
in Arabic 1 Aug 89 pp 12-14

[Interview With Professor Efrayim Klayman, chairman of Hebrew University's Economics College and economic expert on the West Bank and Gaza Strip: "Palestinian Economy's Present and Future in Interview With Professor Klayman; Scientific Industry Can Be Set Up Due to Higher Education Among Palestinians; I Wager on West To Develop Palestinian Economy; Israeli Exports Harmed by Intifadah; Palestinian Workers Cannot Be Replaced by Foreigners"; date, place not given]

[Text] Under Jordan's administration, industries were concentrated in the East Bank and investors refrained

from investing in the West Bank due to the unstable political situation. Since 1967, work opportunities in Israel have attracted Palestinian labor, no industries have been built for political reasons, and because of the form of Israeli rule in the territories. There are future possibilities for industrialization through western, not Arab, financing, especially for scientific industry because of the high educational level among Palestinians.

This is the gist of the lengthy interview conducted with Professor Efrayim Klayman, an economic expert on the occupied territories and chairman of Hebrew University's Economics College.

[AL-USBU' AL-JADID] What is your view of the current economic situation in the occupied territories?

[Klayman] It is difficult to answer this question because I, as a researcher, rely on scientific statistics. I believe that statistics have been one of the unimportant victims of the intifadah [uprising]. Prior to the intifadah, we had statistics on the territories and they were gathered by the Israeli Central Statistics Department. However, we can speculate. Before anything else, we must find out the extent of the problem of economic relations which exists between the territories and Israel. It is here that we can begin talking about the issue. For years, the territories' tie to Israel has developed greatly in terms of sources of income. Forty percent of the general income in Gaza Strip comes from employment in Israel. It is less in the West Bank—amounting to nearly 20 percent. So it is obvious that there is a strong tie. Israel has been strongly tied to the workforce in the territories. This is the tie of a greater neighbor with lesser neighbors, considering that the Israeli economy is much bigger than the territories' economy. Any disturbance in territories-Israeli relations is harmful economically.

At the outset, there were attempts made as part of the intifadah, to prevent workers from coming to Israel for work. This is not happening at present because it has become obvious that there is no alternative to employment in Israel even though there are endeavors to build factories and produce locally. But these endeavors are at a small scale. As part of the intifadah, the movement of workers to Israel has been harassed either by local committees, by the army, or by curfews and other measures. All this has harmed the population's income. The political conditions, the curfews, and the demonstrations have also affected the population's economic life. The most important issue is embodied in two points:

- First, the decline in income generated by working in Israel.
- Second, certain economic stability as a result of instability in the political situation [as published.]

[AL-USBU' AL-JADID] What is your opinion on importing foreign workers to replace the workers from the West Bank and Gaza Strip?

[Klayman] This is not an economic solution for Israel. It is impossible to import large numbers of workers. Prior

to the intifadah, nearly 120,000 workers from Gaza and the [West] Bank were working in Israel. Most of them returned home upon completing their work even though some of them, especially those from Gaza, did not return and lived in Tel Aviv area under difficult conditions. But the majority of workers returned home. This cannot be done with workers from Portugal or Turkey. The residence cost of such workers would be very high, unlike the cost of workers from Kafr Saba, for example, who live a 5-minute drive away. Absorbing foreign workers will cost vast sums.

[AL-USBU' AL-JADID] Can the Israeli economy dispense with the workers from the occupied territories?

[Klayman] Short-term, but not long-term, difficulties may crop up in the Israeli economy as a result of dispensing with workers from the territories. The only branch that may be affected strongly is the construction branch. However, modern construction means can be employed to dispense with skilled construction workers. Fifty percent of the manpower in this branch is from the territories. It is not difficult to get workers. But the question is: for what wages? However, proper economic feasibility can be developed in the construction branch. The absence of workers from the territories affects the agricultural branch. In the other branches, the number of workers from the territories is not large and will not affect these branches. The absence of workers from the territories may lead to temporary problems. But it will not take long to find solutions. We must remember that the territories' workers do not constitute in their entirety more than seven percent of the Israeli workforce. The situation has been different in the territories. When Gaza Strip was sealed off, difficult problems surfaced. It is possible to live for one or two weeks, but not more, without working in Israel. These are no small difficulties and they create two problems: how to supply the strip with foodstuffs and the income from employment in Israel [as published.] So it is obvious that this condition creates major difficulties. It is impossible to find alternative employment for 120,000 workers in a short time. The rising employment rates in the territories in the past 20 years are tied to the increasing number of workers employed in Israel. Half of the Gaza Strip workforce is employed in Israel. Therefore, work opportunities in the [West] Bank and Gaza have to be doubled again and again to absorb the workers employed in Israel. One third the bank workers are employed in Israel. Work opportunities cannot be doubled overnight.

As for Israel, it has to weigh matters politically. Regardless of what solution will take place in the territories, Israel has to secure its borders. The basis of this security is a good life for the population on its borders, or else the borders will not be tranquil. This is acknowledged in all countries of the world. Therefore, Israel has to take into account employment of the territories' workers. I believe that with time, work opportunities can be created in the territories themselves. At present, an unhealthy social condition exists on both sides, taking into account the class, national, and cultural conflicts between the two

sides. This creates tensions. Therefore, both sides must develop the economy so that they may create work opportunities in the territories. The question is: Why have not both sides tried to develop the economy in order to create employment opportunities in the occupied territories?

This is the problem. In my opinion, the economy has not developed for several reasons, most significant of which are political reasons and the form of Israeli rule in the territories. But there is no doubt that there was no industrialization in the territories prior to the Israeli rule. The Jordanian Government encouraged industry in the East Bank only for security reasons and to encourage Jordanian citizens loyal to the Hashimite regime. There are also reasons connected with the territories themselves, such as the fact that their capitalists did not invest their money in industry prior to 1967. Since 1967, the unstable political situation has obstructed industrial development. It should be kept in mind that investment is low in politically unstable regions.

Work opportunities in Israel attracted labor from the territories. After 1967, there was extensive unemployment in the territories. The availability of ready work opportunities in Israel did not compel the population to wait until one of their own could build a factory in Nabulus, for example, so that they could get employment. They rushed to work in Israel. So local industry in the territories has to be developed gradually. It is impossible to create big industry with one stroke, even if the territories' population and Israel desire to work jointly to develop local industry in the [West] Bank and the [Gaza] Strip. However, such an accomplishment is difficult to make in a short time.

[AL-USBU' AL-JADID] What are the branches that can be developed in the territories?

[Klayman] There is always a danger—assuming that an independent state comes into existence in the territories. Independent states have the tendency to embark on three important economic steps:

1. Print money and create inflation. With regard to this, we can recall Israel in the 1950's.
2. Create big government departments because they are a means to compensate supporters, considering that ministries divide jobs among supporters. This is what happened in Israel in the 1950's and in other years.
3. New states embrace the national economy, levying high customs fees to encourage the local industry.

If there were an independent state in the [West] Bank and the [Gaza] Strip, it would say: We want to develop industry. But the Israelis sell us everything and they may compete with us and impose customs fees on our goods. Beginning industries dictate that high customs fees be imposed to encourage them until they stand on their own feet. In Israel, for example, several industries exist by virtue of the levying of high customs fees. The question

is: What branches can be developed in the territories without levying high customs fees?

The food industries branch, but this branch cannot absorb 120,000 workers.

The tourism branch and the conventional industries branch, such as the Hebron glassware industry whose products can be sold abroad, though I am not sure how successful this is. There is another thing which has not been exploited, namely the holy nature of the land. For example, I have not seen oil bottles abroad carrying the label "from the holy land." I believe such an item would sell well in the Christian world.

There are advanced industries. The educational level of the territories' population is higher than that of Arab countries. These are human capabilities needed by advanced industries. For example, the territories cannot develop a computer industry because Israel is doing it. But Arabic-language computer programs can be developed and exported to the Arab world. The world has now so-called scientific industries which require high educational capabilities. Such capabilities are available in the territories and can be exploited.

[AL-USBU' AL-JADID] Faysal al-Husayni has said that it is possible to develop a sophisticated electronic industry capable of competing in the world market.

[Klayman] With full respect to Faysal al-Husayni, I don't know what he has based his statement on.

[AL-USBU' AL-JADID] On the fact that there will be no security budget.

[Klayman] This is a good idea in Japan where industry has developed, but not because there is no security budget. Why has Japan succeeded in developing its industries so rapidly? To date, there is no answer to this question concerning Japan. There are other rich countries which have financial resources for a security budget and for developing industry. But I do agree with al-Husayni that the absence of a security budget makes it possible to develop several areas such as health, education, industry, and other areas.

Financial aid is needed to develop industry. Where will the aid for investment come from and why hasn't it come? We have said that under Jordan's administration, industry was developed only in the East Bank. Throughout 20 years, the capitalists did not consider investing their money in industry. Some of them did invest in construction and in real estate, as well as outside the country. This is a distinguishing feature of underdeveloped countries. This source (investment of capital in industry in the [West] Bank and the [Gaza] Strip) is one of the sources on which one can rely to develop industry. But this is not enough for economic development. People saved a lot of money from their work in Israel. These savings have been consumed in construction. The villages from which most of the workers came have witnessed extensive construction

activity. But this has nothing to do with economic development. Israel has not invested money in the territories—and I mean here individual investment—because of the unstable political conditions. The purpose of the settlement activity was not investment for the sake of investment. Foreign investors cannot invest under unstable conditions. In the territories, there is no other source of money for investment. Israel will not rush to invest in the territories and it is not so rich that it may invest outside its borders. There are two investment sources: Western aid and Arab aid, especially from the oil countries. I wager on the first source, which is the more likely. There is no reason not to set up an Arab or Palestinian agency similar to the Jewish Agency. But there are two problems:

1. Most of this agency's money will come from the oil countries. The oil countries are experiencing financial problems and oil prices are low. This does not mean that money is not available but that the oil countries want to invest for themselves. There are many countries vying for the oil countries' money.

2. What will happen to this money en route? The question that poses itself is: What part of this money will reach the objective for which it is designated? This is a difficult question.

The west has extensive experience in this regard. If the European countries decide to invest, most of the money will reach its objective and will not be lost on the way. Such a loss could happen, but only on a small scale. This is why I have said that I wager on the west.

The intifadah seeks self-reliance and tries not to be tied to Israel. Practically, the endeavors made in this regard are minor endeavors. Today, the educational branches do not require major investment. Therefore, it is possible to start in the territories with translation, considering that Arabic is read by millions. This is a big market.

[AL-USBU' AL-JADID] If a Palestinian state is established in the occupied territories, will this state have the economic components?

[Klayman] This begs the question: Can a small economy be independent? Any economy, regardless of size, can be created and can provide people with income. But the smaller the economy, the smaller the appropriations made for the state agencies.

If a small economy wants to survive, it has to affiliate itself with the world economy. A state can be set up in any small area, even in a small village. I recall that Eli Avivi declared Northern Nahariya a state. The question is: Can the state manage an independent economic policy? We see the world currently heading toward economic unity, as in the case of the EEC. In 3 years, all EEC citizens will be able to work, live, move and transfer money to any of the EEC's 12 countries. The question that poses itself is: Will they have a unified currency? I recall that a lady professor was invited to talk on political

unity in Europe and her response was: Look for economic unity first. If economic unity is established, political unity will follow on its own. In a small economy, any attempt at establishing economic independence will be at the expense of prices and of the population.

[AL-USBU' AL-JADID] What is the extent of the intifadah's impact on the Israeli economy?

[Klayman] There has been an impact and a lot is being written about it these days. I believe that there is exaggeration regarding the immediate impact on the economy. Where is the impact? It has taken the form of a drop in the number of tourists. But you are aware that the Arabs also rely on tourism from Israel and those who are active in the intifadah have been trying not to undermine the tourism sector. Groups of tourists can be seen touring Jerusalem as if they were protected in a glass box.

The construction sector has been hurt, but not seriously. We have not seen people demonstrating because contractors are late in delivering apartments to them. But contractors do complain at times of the inability of workers to report to work. It is evident from statistics that the Israeli economy has not been greatly affected. The statistics also show that there has not been a tangible drop in the number of workers from the territories working in Israel.

What has been harmed is Israeli exportation to the territories. These exports are not great, because a great many of them come from abroad and transit Israel. Therefore, the direct damage to Israel is not great. The major damage which is hard to control is the atmosphere of instability which harms the economy.

EGYPT

Faraj al-Durri Made Consultative Council Secretary General

45000192 Cairo AL-AKHBAR in Arabic 30 Aug 89 p 6

[Text] Dr Mustafa Kamal Hilmi, president of the Consultative Council, has issued a decree appointing Justice Faraj al-Durri secretary general of the Consultative Council. He obtained his law license in 1954, and held the positions of public prosecutor and legal counselor to the Atomic Energy Authority. He was sent to France on a grant to study international law, and was appointed first deputy in the Ministry of Scientific Research and a member of the Academic Council of Scientific Research, the Atomic Energy board of directors, and the National Research Center. He was also appointed a member of the High Court of Ethics.

Unnamed Journalist Alleged as al-Shinawi, Iran Contact

45000190 London AL-DUSTUR in Arabic 4 Sep 89 p 3

[Text] An Egyptian journalist was behind the introduction of Dr Fahmi al-Shinawi, a member of the secret

network linked to Iran whose members were arrested by Egyptian authorities last month, to the Iranian agencies who worked to recruit him. This Egyptian journalist visited Iran several times and accompanied Dr al-Shinawi on his final trip to Iran last February. He writes for certain Gulf newspapers and published a book on "the Iranian revolution" 2 years ago.

Pope Shanudah Resumes Ethiopian Church Relations

45040440a Cairo AL-MUSAWWAR
in Arabic 21 Jul 89 p 23

[Article: "Dialogue Between Coptic Church and Ethiopian Church Begins After 20-Year Break"]

[Text] His Holiness Pope Shanudah III is sending a delegation of Egyptian bishops to Ethiopia during the first week of August to study the situation of the Orthodox Church there and present a report on it to His Holiness favoring the resumption of relations between the mother Egyptian Church and its foster child, the Ethiopian Church. Relations have been completely cut off between the two churches since the beginning of the Mengistu Haile-Mariam regime in the early seventies, and the circumstances that befell the patriarch of the church there.

Pope Shanudah's decision to send the Egyptian delegation came after a visit made by two Ethiopian bishops, Abba Gregory and Abba Jarima, to the pope at the monastery of Wadi al-Natrun, where they discussed with the pope the issue of resuming relations. These meetings were attended Abba Gregorios, archbishop of the Indian Orthodox Church in New Delhi, Abba Antonios Marcos, the Egyptian bishop for Africa, and Abba Bishawi, secretary of the holy synod.

Dr Butrus Ghali, minister of state for foreign affairs, has for a long time been making intense efforts towards resuming relations between the two churches aimed at strengthening relations between Egypt and Ethiopia at the political and popular levels, as embodied in the influence of the Egyptian church, which is still deep-rooted among the Ethiopian people.

Economists, Officials Optimistic Over New Inheritance Law

45040463 Cairo AKHIR SA'AH
in Arabic 12 Jul 89 pp 14, 55

[Interview with Dr Hamid al-Sayih, tax agency chairman, by 'Ala'-al-Din Mustafa: "New Inheritance Law: What Are Its Consequences; Tax Agency Chairman: Closing All Inheritance Tax Dossiers; Abolishing Dual Tax Attracts Savings; Businessmen's Association: Savings Are There and What Remains To Be Done Is to Channel Them Toward Investment"; first four paragraphs are AKHIR SA'AH introduction; date and place not given]

[Excerpts] [Passage omitted] The inheritance tax can be defined as a fiscal tax levied on property as a result of the

transfer of ownership from benefactor to heirs or to others on the occasion of death. The inheritance is the property or the right bequeathed by the deceased upon death to heirs or to other beneficiaries.

The inheritance tax was levied in the two following forms: First, there is a tax levied on every heir separately after the inheritance is divided among the heirs. This is called the tax on inheritance reversion. This tax was levied in Egypt in accordance with law No 142 of 1944. Second, there is a tax levied on the entire inheritance and collected before the inheritance is divided among heirs. This is called the inheritance tax and it was levied in Egypt in accordance with law No 159 of 1952.

A report on the inheritance tax issue and on its economic and social consequences by the Financial and Economic Affairs Committee of the former Consultative Council session points out that the exemption limits offered by the old law are no longer compatible with the economic developments undergone by the Egyptian society.

Moreover, the inheritance tax poses a threat to the economic growth procession because big capitalists deposit their money in foreign banks and refrain from investing it in projects out of fear, to shield the inheritance from falling under the jurisdiction of the tax inheritance law. This, in addition to the high tax burden on inheritance—a burden which reaches 40 percent of the share of the heir in the higher brackets—causes numerous big capitalists to keep their money “under a tile,” either in the form of cash or of jewelry, at a time when the Egyptian economy needs to invest this money.

Outcome Is 30 Million Pounds

To highlight the benefits in the new tax inheritance law recently passed by the People's Assembly, AKHIR SA'AH has interviewed Muhammad Fathi 'Abd-al-Baqi, the tax agency chairman, who has said: The new law will avoid all the problems causing controversy between the tax agency and the taxpayers. In accordance with the new law, tax deductions will not exceed 15 percent the value of the inheritance or the wealth, whether in the form of land, businesses, real estate, agricultural property, cash, or investments. This is in contrast with the 65 percent collected from some brackets in accordance with the previous law. The new law has avoided this. [passage omitted]

Some of the most significant benefits offered by the new law are:

Raising the exemption ceiling to 30,000 pounds for each heir and to 60,000 pounds for each underaged heir.

Abolishing the 10 percent inheritance reversion fee stipulated by the law for the benefit of local governments.

Reducing the estimated value of arable land and of developed real estate from 30 times the rent value to 15 times the rent value.

Providing a 25 percent exemption for investment bonds, provided that the deposit is maintained for one year instead of 3 years.

Allowing exemptions for the family home in the countryside and cities.

Prohibiting tax officers from entering the home of the deceased unless at the request of the family.

Exempting furniture, household effects, home appliances, and similar articles designed for the use of the benefactor and his family.

This is in addition to [exempting] other payables, such as debts, the belongings of the deceased, pensions, compensations, and so forth.

Assuming that an Egyptian family consists of a mother and 3 children, the exemption would amount to 120,000 pounds. If the children are underaged, the exemption would amount to 180,000 pounds, excluding the mother's 30,000 pounds.

As for savings in foreign currency, they will be given a 25 percent exemption, provided that the savings are kept in a bank for one year.

The philosophy of the new law is based on the principle that the tax is an averment tax, not a retention tax, meaning that an heir is entitled to whatever part of the inheritance reverts to him. This philosophy is aimed at reducing the tax burden, encouraging investment, and protecting the money that reverts to an heir, because this money has been subjected to taxation throughout the benefactor's life. It also seeks to protect various exemptions for heirs. [passage omitted]

The new law has taken into account simplifying the measures for determining the tax, assessing the inheritance, and collecting the sum due so that the procedures may be completed in a short period of time and without complications.

All the inheritance tax dossiers will be closed. As for the inheritance reversion tax, all the dossiers on which no final determination has been made will be treated in accordance with the new law insofar as the reversion tax is concerned. This means that the new law will be applied to the inheritance cases being examined by the internal committees and appeals committees. Moreover, all the cases already before the courts will be decided in accordance with the provisions of the new law.

The tax agency chairman added that Egypt is not the only country which applies the inheritance reversion tax. It is applied in the United States, Britain, France, and Japan. Most countries apply this tax so that they may have no idle heirs. Everybody there has to work.

Regarding the consequences of applying the new law to increasing Egyptian savings, Dr Hamid al-Sayih, an ex-minister of economy and Consultative Council member, has said: [passage omitted] The new law offers

a benefit in connection with the so-called "doubt grace period." This period used to extend to 5 years during which the benefactor's actions were discounted. This period has been reduced to one year. Moreover, the law simplifies the procedures, makes matters easier for the taxpayers and preserves their dignity. These gaps have been tackled.

Dr al-Sayih added: The law's economic impact will be demonstrated in eliminating the sense of frustration people experience as a result of the big deduction that the government used to collect. This deduction posed an obstacle to creating wealth. We hope that the law will encourage saving and the creation of wealth and capital. With the improvement in the inheritance tax, Egyptian savings at home and in foreign currency can be attracted. [passage omitted]

Attracting More Savings

[Passage omitted] Parallel to the inheritance law is another important step taken by the government to raise the interest rates for banking saving vehicles. This step complements the inheritance law because increasing the interest rate encourages many people to save their money in banks, thus creating the financing needed for investment. Moreover, the increase has been made in a proper manner that does not hamper investment because the yield from investment projects founded on sound economic feasibility studies is higher than the yield from the interest on the loans obtained by such projects from the banks, especially since capital or loans are turned over twice or three times in projects. [passage omitted]

To conclude, objectivity dictates that we note that the Egyptian Government has taken numerous serious steps to eliminate many obstacles. An example is the reexamination of the existing laws, the introduction of fundamental amendments into these laws, as in the case of the inheritance and investment laws, and the adoption of measures to reform the economic situation. All these steps ultimately seek to reform the Egyptian economy and to provide fundamental solutions to chronic problems.

Water Hyacinths Threaten Irrigation Supply

45040443a Cairo AL-AKHBAR in Arabic 15 Jul 89 p 10

[Article by Zaynab Isma'il]

[Text] The water hyacinth advanced down the Nile from Aswan to Cairo, and the Ministry of Public Works annually cleans out around 50,000 square km of its waters. Moreover, it shares the water of the Nile with us and consumes 10 percent of it a year!

Even though scientists have been struggling with the green devil for 77 years, it has now come to represent a threat since its area has increased and it has reached the Nile in Cairo itself. Therefore the Ministry of Irrigation proclaimed a state of emergency to counter the green devil.

At the start, Engineer Mukhtar 'Amarah, head of the Nile protection department, said: "This threat is 77 years old, and it occurs because of the fluctuation of the level of the Nile, especially during the flood months. The Ministry of Public Works sees the presence of the water hyacinth in the water courses as a problem which costs it immense sums of money to get rid of. Last year the cost of cleaning, skimming, and maintaining all the water courses that extend over an area of 50,000 square km was 35 million pounds."

Eng Mukhtar 'Amarah added: "This plant has characteristics that help it to spread, the most important of which is complete adaptation to the environment, because it tolerates temperatures down to freezing and also tolerates high levels of acidity and salinity. It can resist drying as well. It also spreads quickly to the point that it can cover 1000 square km of Nile water in less than 2 years. The weight of a water hyacinth mat reaches around 123 tons a feddan in the winter, and around 184 tons a feddan in the summer."

Significant Harm

Concerning the harmful effects of this wild plant, Eng 'Abd-al-Nabi 'Abd-al-Razzaq, director general of the Barrages, said: "Its advance affects the entire irrigation and drainage network, in addition to the fact that it harms the water environment, because of its proliferation and its ability to spread and form a surface on the water consisting of a compact layer that separates the water from the air, and which harms the water resource and hinders navigation."

Eng Mukhtar 'Amarah spoke again, saying: "These days, especially during the period when the level of the Nile fluctuates in June and July, the water hyacinth appears in the water courses along the length of the Nile, where the rise in the level of the Nile is operative, especially when the Barrages are brought into equilibrium or the locks are opened. Then the water hyacinths escape from in front of the Barrages to behind them to drift with the water, streaming along with the flow. Whenever the Nile flow increases in speed, so does the speed of their movement, as does its accumulation at any obstacle in the water. That is helped by the fact that it is a plant without anchored roots."

The ministry is now working to pursue this runaway plant wherever it gathers along the length of the Nile.

Expulsion of the Devil

About the plan of the Ministry of Public Works to counter this wild plant, Eng Ahmad Mazin, head of the irrigation office, said: "It is controlled in three ways—by hand, mechanically, then chemically. The method of control varies according to the location in which it is present and the amount.

"Thus five public administrations have been established to protect the Nile from Aswan to Rashid and Dumyat.

They are to take on the responsibility of controlling the water hyacinth in every province.

"A study is being conducted now on supplying these administrations with special equipment, and on installing barriers along the length of the course of the Nile in all provinces as needed, so as not to allow the water hyacinth to escape from one region to another, and to facilitate its collection and removal from the courses.

"A barrier is being installed now at the Bani Suwayf bridge to collect the water hyacinth coming from Asyut and al-Minya, and another barrier is being set up at the border of al-Jizah Province to stop the water hyacinths coming from Bani Suwayf. The state of emergency aimed at stopping the diabolical advance is still in effect."

Study Reports Crop Loss Statistics

45040448b Cairo AL-AHALI in Arabic 19 Jul 89 p 1

[Text] The writings of Muhammad Hanafi confirm what was in a scientific study prepared by the National Research Center, namely that Egypt has one of the highest rates of crop losses among agricultural countries.

The study estimated losses in terms of 1981 prices to be around 346 million pounds. It indicated that the losses were as follows: wheat, 2,845 tons; rice, 2,372 tons; corn, around 3,474 tons; sugar cane, 2,900; and vegetables, 931 tons. Moreover, losses in some crops were as high as 60 percent.

A study previously put out by the Canning and Packaging Association added that it estimated 1988 losses to be around a billion pounds. Participating in the study were Dr Samir 'Abd-al-Rahman, Dr Usamah Hamid, and Dr Muhammad Fahmi.

Editorial Criticizes Israeli Use of Grants for 'Oppression'

45040443b Cairo AL-AKHBAR in Arabic 18 Jul 89 p 5

[Commentary: "How Does Israel Spend Its Foreign Aid?"]

[Text] The whole world knows that Israel is the only country in the world that depends almost entirely on aid that it gets from abroad in order to be able to survive, whether that aid be donations that it receives from Jewish and Zionist groups, or which the United States gives it every year in the form of assistance, investments, or concessions in business relations and purchasing arms produced in Israel.

At a time when the various rich and poor states are striving to use the moneys which come to hand in development projects, raising the living standard of their peoples, and reducing their hardships, we see that the leaders in Tel Aviv are allocating a large part of the aid and donations that their government receives to help it survive for expenditures on operations of subjugation,

tyranny, and oppression of the revolution of the Palestinian people which is aimed at liberation and ending the illegal occupation.

News agencies announced yesterday that the Israeli cabinet had debated the request of Yitzhaq Rabin, the defense minister, to increase the budget for oppressing the intifadah by about 200 million dollars, such that it would exceed half a billion dollars. Officials in Tel Aviv are also discussing a plan to establish a large detention camp on the occupied West Bank that would absorb 5,000 Palestinians, and expanding another detention camp so that it would hold 33,000 Palestinians.

Aside from the inhuman and unethical methods which the Israeli authorities are determined to follow in an escalatory manner, in their frantic but futile attempts to end the Palestinian intifadah, the use of foreign aid money which pours into Tel Aviv on such filthy operations aimed at subjugating a people by force is an issue that demands review by the parties which offer this money to a state that uses it for illegal purposes, at a time when its people need every cent in order to be able to meet the burdens of life that are increasing in severity and difficulty.

Commentator Wants Land Reform Law Revoked

45040447a Cairo WATANI in Arabic 16 Jul 89 p 4

[Commentary by Dr Salib Butrus: "The Economy In a Week: Small Landowner and Tenant Farmer"]

[Text] In its early months the July Revolution set out to enact the September 1952 Agrarian Reform Law. This law applied to small farm landowners as well as owners of hundreds of thousands of acres. Practical enforcement during this period of close to 40 years has evinced some bloody ironies to which many landowners have fallen victim. One of the tragic letters which the late Jalal-al-Din al-Hamamsi published in his column "Smoke in The Air" shortly before his death was sent by a small landowner, in which he offered his tenant farmer to switch legal positions with him, whereby owner became tenant. The farmer turned down the offer, preferring to remain a tenant.

This means that agrarian reform has done great damage to the group of small landowners who have been crushed by inflation. As an example of proof, the rental fees these landowners have been receiving for almost 40 years have gone up only slightly while prices have been going up year after year and, indeed, month after month, and the real value of the money they receive is only a few piasters at past years' prices.

On the other hand, the government has been raising farm crop prices, the most recent of which was the price of a kantar [a varying measure of weight] of cotton which has been raised by 60 Egyptian pounds [LE], in addition to other crops such as wheat, rice, fava beans, and lentils, not to mention vegetables. Meanwhile, the government

is offering farmers subsidized fertilizers, seed and insecticides. It is a known fact that farmers make 700 LE to 900 LE a year on the feddan while landowners get only 50 LE to 70 LE.

Economic conditions and social justice call for a reexamination of the relationship between these distressed landowners and tenant farmers who have declared themselves landowners, demanding that landowners give them 50 percent of the sale price if the land is sold to another party, or sell it to them at half price. They are not content with the superabundance they have accrued for almost 40 years, from the time the September 1952 Agrarian Reform Law was put into effect.

There is a strong reason behind the demand to reexamine the relationship between these two parties. Some, if not most, of the offsprings of the tenant farmers who were tilling the land when the revolution broke out are no longer doing that, having availed themselves of free educational services, graduation from various colleges, and obtaining diplomas entitling them to hold jobs or become professionals and tradesmen and, therefore, no longer have a reason to stay in farming.

From the social justice point of view, we raise a question the answer to which will define the right path: Are not the offsprings of these distressed landowners—who graduate from school but are unable to find employment and, therefore, are forced to become taxi drivers, for example, and to join the taxi drivers union because the salaries it pays are twice and, in some cases, four times as much as those paid by their parent union—in need of the same degree of government consideration as the offsprings of tenant farmers who are the recipients of the land's superabundance? The answer, of course, is yes.

Editorial Finds Corruption Increasing

45040448a Cairo WATANI in Arabic 16 Jul 89 p 5

[Commentary by Ahmad Hayati]

[Text] Corruption has been getting worse in the body of Egyptian society in a such a fearful and terrifying way that one cannot keep quiet about it.

Deviation, embezzlement, theft, robbery, bribery, abuse of influence, seizure of public funds, and serious crimes against the economy of the state and its stability and the security of its worn out people . . . as if this country were an estate or asylum that was not under anyone's control!

For more than 30 years we have been hearing about the trials of senior officials—crimes, embezzlement, theft, and so on—and moving confessions striking like bombshells or earthquakes. But in spite of the roar of scandals, the confessions, evidence, and the zeal of the media, everything would gradually calm down, then suddenly die, and the facts, evidence, and confessions would be shrouded in a coffin and buried in the shadows of the tombs of corruption!

As the shock is forgotten, a thousand and one unanswered questions leap to mind.

There have been hundreds of cases involving the heroes and knights of corruption who sat in the seats of authority for long years, and every single case was the case of the season. In spite of that there has not been a single conviction!

In spite of the emergency laws which they insisted were to protect the nation and its well-being, the Egyptian citizen has lost his security and safety on Egypt's soil and under its sky, so he now appeals for help from some embassy that might protect him and his rights. Incidents of killing, robbery, theft, pilferage, and seizure under threat of arms, as well as dealing, administering, and snorting drugs and heroin, and so on, go on publicly by day within sight and hearing of officials. The contempt that the police departments have towards the interests and honor of the people of this country who have rights, confirms that the security systems need to be overhauled and purged.

A few days ago the interior minister levied large fines against two police major generals and arrested and interrogated a police brigadier general, after it had been proven to the minister that the three, who are senior police leaders, had abused their offices for private matters. These measures, decisions, and directing of blame are a step towards returning discipline to our facilities, especially the vital systems that are responsible for security and discipline.

What Major General Zaki Badr suppressed is just a drop in the bucket of misuse of influence and power and theft on the Egyptian stage.

If the ministries and senior leaders were to act and take serious, determined, and decisive measures to resist deviation and crimes, Egypt would turn into a field for trying the deviants and criminals.

It is well known for example that you see many of the cars belonging to the police, armed forces, and government, being used for private errands for senior officers and those who have influence and power. In fact, some of those drafted into the police and armed forces have tried to get into private service with the senior officers!

For long years we used to see campaigns to monitor and inspect government cars to confirm their operating orders, routes, and the nature of the passengers, but later this picture disappeared, and these cars began to work for senior officers. Even worse, some government vehicles are operated on regular lines during their off hours, especially the minibuses and buses.

The same painful fact applies to the way our projects and facilities are implemented. In the late seventies some senior officials were overseeing the final arrangements and preparations for the inauguration of the homes and schools of Madinat al-Salam, when suddenly one of the senior officials spotted water leaking from one of the new

buildings, even though only a few days had passed since it had been turned over. At the time, they made great efforts so that the eyes of the president of the republic would not fall on the scandal of the new buildings.

These scandals are still going on, for the bridges that were built in Cairo only a few years ago have become swings, and holes and cracks have spread throughout them. They have had to repair them more than once but to no avail, because the repair process itself is done without conscience and in the same way that things are built. The Ahmad Sa'id bridge and the al-Fanjari bridge are a testimony to that, as are many other bridges. Also, our streets are repaved more than once in a single year, but a few days later the asphalt is washed away by the water of sewers whose pipes burst every day. Don't ask me how that happens—we live in a jumble of chaos!

Editorial Claims Government All Talk, No Action

45040447b Cairo WATANI in Arabic 16 Jul 89 p 7

[Editorial by Farid: "Sunday Meeting: He Who Reforms the Land Loses It!"]

[Text] It used to be said that he who reforms the land has legal title to it. It also used to be said that the desert is the hope of the young and the needy and the hope of Egypt and the people of Egypt who now number over 54 million souls!

Al-Sadat once said that "the desert is the hope of young people and any young person who cultivates the land has the right to own it at no cost."

Desert Redevelopment Agency leaders and agrarian reform scholars have said that "the government is encouraging people to conquer the desert and to reclaim the land. It is extending a helping hand in every field and is even supplying land developers with money, equipment, and water."

The result: talk, talk, and more talk, hollow statements and even prodding of public relations offices and trumpeters to extol the presidents, government officials, and chiefs of sectors!

Hundreds, indeed thousands, of people who have migrated to the desert to reclaim it have had to face, when the land turned green and productive, the onslaught of obstructionists and the admonitions of the malicious and the bloodsuckers. Problems and hardships have cropped up and a war of paper, red tape, and bureaucracy has erupted, dashing hopes, and turning them into a sea of hopelessness and despair!

To al-Buhayrah and al-Tahrir Province came hopeful people from all over Egypt and far away lands. They worked day and night to turn the desolate desert into green land, spending thousands, indeed millions, of pounds on it. Suddenly, countless sides emerged to claim

ownership to this land. "Desert Redevelopment bulldozers" suddenly turned up to kill the farms and drive away those who developed them with sweat, money, and hope!

In the Asyut suburbs and along the edges of the desert, a group of citizens reclaimed hundreds of acres. They spent millions of pounds, drew water from the heart of the desert, and converted desolate land into green farms. Then came the admonitions and threats to leave the land, and hundreds of claimants to this land suddenly surfaced. The settlers were surprised that the Desert Redevelopment Authority did not give a hoot about them and even refused to give them deeds to the land or to expend any fertilizers! Rather, it asked them to leave the government land immediately!

This painful outcome was the reward of those who reclaim or develop the land! This is the bureaucracy of government agencies! This is the kind of lesson the government gave to hopeful and ambitious young people whose hopes have gone up in smoke.

There are many examples in many areas of the country where young people's hopes have been frustrated and dreamers have been accused of stealing the land!

In Canada, Australia, and America, young people have converted, through occupancy, thousands of desert acres into green farms. Their governments offered them expert and technological help and exempted them from laws and taxes because these countries reward anyone who develops a foot of desert land and cherish all those who reclaim fallow land! We, on the other hand, encourage young people with announcements, then besiege them with red tape and laws, disproving the adage "he who reforms the land has legal title to it!"

We say that the desert is the hope of Egypt and the Egyptian people and he who cultivates the land is to be rewarded—not besieged by timeworn laws and the onslaught of the malicious and the bloodsuckers! We must fulfill the promises with work and action away from government bureaucracy. Let us encourage young people, in deed, to reclaim desert land and let us supply them with machinery and water and everything else they might need. We have had enough promises and enough statements. Let us indeed apply the saying "he who reclaims the land has legal title to it" and not he who reclaims the land loses it!

ISRAEL

Temporary Land Seizures Allowed in Territories

44230160a Tel Aviv HA'ARETZ in Hebrew 4 Jul 89 p 5

[Article by ITIM news service: "The High Court: The IDF May Seize Land Temporarily from Residents of the Territories"]

[Text] The High Court of Justice ruled yesterday that the IDF [Israel Defense Forces] authorities may temporarily

seize land from residents of the territories, in order to house IDF troops on the lands seized.

In so doing, the High Court rejected the appeal of Na'im 'Issa Guha of Bethlehem, following the issuing 4 months ago of a military seizure order against 700 square meters owned by him. Guha asserted in his appeal, which was submitted by Attorney Felicia Langer, that the seizure of the land is illegal, that fruit trees are planted on the land, and that there is concern that the soldiers will damage them.

Following the appeal to the High Court, an interim order was issued blocking the seizure of the orchard until the completion of proceedings.

The State Attorney's Office responded to the High Court that since the beginning of the uprising, the IDF was compelled to increase very significantly the size of the forces staying in the region, and places must be found in which these forces can stay. As the existing IDF bases in the area are insufficient, additional places must be found for billeting IDF forces, next to the Military Government building in Bethlehem.

The Chief Justice, Me'ir Shengor, ruled that the temporary seizure of land for passing military purposes is permitted according to all rules of war, as well as by the principles of public international law, which are quoted extensively in the decision.

The judges recommended to the IDF authorities that they set the period of time during which the orchard will be seized by the army, and that they pay use fees for his plot to the owner of the land. They also ruled that injury to the orchard is to be avoided as far as possible, and that if trees are uprooted in order to set up tents, the landowner is also to receive compensation for the uprooted trees.

Moshe Suissa, CRM Rabbi, Profiled

44230176 Tel Aviv YEDI'OT AHARONOT (Weekend Supplement) in Hebrew 7 Jul 89 pp 15-18

[Article by 'Amos Nevo: "The CRM Rabbi"]

[Excerpts] Rabbi Moshe Suissa does not care if you travel on the Sabbath. Want a good movie? The honorable rabbi will not close the movie theater. And if you do not invite him to bless the couple under the traditional canopy, that is not terrible either. If you choose a civil marriage, he will forgive you. The important thing, he says, is for you to be happy. The honorable Rabbi Suissa will not interfere in your life, because he is the rabbi for the CRM [Citizens Rights Movement]. He is a good friend of Shulamit Aloni and a loyal assistant to Ron Kohen.

He studied under the renowned Rabbi Litai in Bnei Beraq; Rabbi Ovadia Yosef signed his diploma. Now Rabbi Suissa angers the old rabbis: In their opinion, Suissa strayed from the path. He has already been beaten

on the street; anonymous people broke into his apartment. But the honorable Rabbi Suissa is not deterred because he is a stubborn man.

Lean, 29 years old, he has a boyish face. There are no external signs of his rabbinical standing. He wears fashionable clothes, a knit skullcap, and a beeper hangs on his pants. He also carries a black briefcase. He is the special assistant of Knesset Member [MK] Ron Kohen. He is also secretary of the CRM faction in the Histadrut and head of its social staff. He is an unusual figure on the elitist-Ashkenazi-secular horizon of the movement. This week he met in Spain with 'Arafat's advisor.

Between pages of the Gemara and moral tractates, he can be found travelling across the country conscripting souls for the CRM. He brings the CRM to the development towns; with Ron Kohen, he brings nurses on strike to demonstrations; he maintains contacts with workers committees and resolves labor disputes; he fights the battle of the individual citizen against the administration.

Together with Ron Kohen, he established an organization for unemployed workers called "Solidarity." He established a fellowship for interreligious discussions, the purpose of which is to bring together representatives of the Jewish, Christian, and Muslim faiths. Rabbi Suissa brings religious members into the CRM. He shows them, he says, that the devil is not terrible.

On the party list are several religious activists, even, he says, orthodox rabbis who secretly identify with the CRM. Religious people come to him with requests for assistance: parents with children in a tiny religious school that was closed; an Eged bus driver who was fired because he refused to work on the Sabbath; candidates for religious judgeships who were not accepted.

A few months ago he successfully established a CRM branch in Bet Shemesh—a rare event in a right-wing fortress, a bastion of Kakh [Meir Kahana's party]. Kahana demonstrated against him, accusing him of ruining the town. Kakh members curse him and have made threats on his life. The public, in the voting booths, had their say: 109 of the town's residents voted for the CRM.

The shock has subsided. It is already possible to walk around Bet Shemesh in a CRM shirt. Now, Mr Zaharian of the town religious council has asked to join the movement. Soon the rabbi will conquer Netivot. "Our goal," says Rabbi Suissa, "is to create a rift in the right wing and among those of eastern descent. The day will come when even the religious population will see the light. They will join us because of our struggle for a just economy, a just society, and equality for women. The religious population will understand that it must be the leader in the separation of religion and state, because the link is a cancer in its body." [passage omitted]

Suissa enlisted in the armored corps. He refused to serve with the regular forces "because of the violence they are

constantly exhibiting." He registered to study law at Tel Aviv University where he studied philosophy and cabalah, and encountered the secular world. His left-wing perspective became firm. In his free time he taught at a yeshiva and was appointed overseer of kosher facilities at a hotel in Acre. The hotel owner met a liberal, enlightened supervisor.

Suissa: "The Rabbinate had on several occasions suspended the hotel's kosher certification on the grounds that the hotel operated its pool and discotheque on the Sabbath. That bothered me to no end. I clarified for the hotel owner that in terms of everything related to food, I would be more stringent than my predecessor, and he should not get smart with me. As for everything else—I would not lend a hand to extortion.

"Thus, during my tenure, the pool and discotheque operated, but when this became known to the town rabbi, he notified me that my job was terminated. I explained to the rabbi that this was in fact extortion. I heard that the CRM was working for citizens' rights. I sent a letter to MK Ron Kohen, signed by all the kosher supervisors from the hotel, and I asked him to help reinstate the hotel's kosher certificate. That was my first encounter with the CRM."

He has already severed his political ties with Agudat Yisra'el. In his heart, he was with Alignment. When his father found out, he left the table in anger and called him "a criminal in his soul." Suissa left the university. From time to time he was overcome with nostalgia for the past. Suissa went back and devoted himself to studying Torah. His new points of view did not bother him. Four years ago he became a certified rabbi. To earn a living he worked as a slaughterer in a meat plant. But the political virus would not leave him.

"A friend of mine in Bet Shemesh, who was secretary of the professional union, was about to be fired from his job. I remembered the CRM from the hotel incident in Acre and I suggested that he solicit their help in his struggle. Ron Kohen entered the picture. The man I met was a left-wing kibbutznik who cared, showed an interest, and fought back. A real working man's man. I was blown away with his charm. Later, at the time of the 'Bet Shemesh motor crisis' I met him in the center of town. Hello, hello I said. From today on I am with you."

Ron Kohen remembers that the skullcap did not startle him. Nor did the CRM emblem bother the rabbi. So now we have an orthodox rabbi in the CRM, Kohen murmured. Last week he said that this was a bold step. Suissa had been through some difficult soul searching. The yeshiva crisis, the state of religion, hatred of the secular population—all these, he explained, brought him to the CRM. Yosi Sharid rubbed his eyes; Shulamit Aloni smiled. Suissa gets his sweet revenge.

Rabbi Suissa started speaking against religious coercion and for the separation of religion and state. It was as if he were speaking through Aloni's mouth. In Bet Shemesh

they stopped saying hello to him. In the town's synagogues sermons were delivered against him. People were instructed to ostracize him, they were forbidden to study Torah under him. SHAS [Torah Observing Sephardim] activists pressured Rabbi Avadia Yosef to withdraw his certification. His students cursed him. But the proud Rabbi Suissa did not go underground. He continued saying hello to those who slandered him, and he continued teaching Torah. He met with the children on the monkey bars, and sat next to old people in public parks, explaining his actions.

[YEDI'OT AHARONOT] You give the impression of being a strong man, Rabbi.

[Suissa] "I am stubborn. And the protest just proves that there is value in what I am doing."

[YEDI'OT AHARONOT] Your father, who came from Morocco, and his friends—you have shattered their belief that here, in the holy land they dreamed of, they would finally be able to live without buses on the Sabbath, without movie theaters, and all other blasphemies.

[Suissa] "There were some tense moments at home relative to this issue, but that has passed. My father is known in town as a God-fearing man, a truly just man. People come to him and say: Your son is bringing shame on Bet Shemesh. It is unpleasant, but there is no choice. In the end, they will all understand that for the good of the religious population, religion and state must be separated."

[YEDI'OT AHARONOT] What is so bad with that link?

[Suissa] "I have noticed that in those countries where state and religion are separate, religion has a higher status and is becoming more popular. Look what is happening in the United States. On the dollar bill it is written: In God We Trust. Do Americans protest against that? When Reagan made reference to God, did anyone revolt? Only here, when "religious school" is written on some army form, people immediately get up and start a commotion. Or if a politician mentions God, he is accused of currying favor with the religious parties.

"In every country where religion is part of the state, religion is weak and debased. Religious merchants excite hatred, they achieve gains through extortion. On that subject I say: For the sake of religion, separate it from the state. If it is independent, it will gain increased respect in the eyes of the people, the power of the rabbis will be increased, because only those with talent will be elected. Today, those rabbis who know best how to play the political game are the ones who are elected, not the ones who are talented, industrious, and learned."

[YEDI'OT AHARONOT] Then the concept of a religious state is completely invalid in your eyes.

[Suissa] "God forbid. As a rabbi I say, if all the people want a religious state—let it be. I would be even happier. That would be ideal in my eyes. But we have to be

realistic. The current situation is that 90 percent of the population is not interested in following the commandments and the blessings of the Torah. How then can the remaining 10 percent impose their religion on the majority?

"Therefore, I say: Let us allow a free cultural revolution, without legislation, without religious parties. Then culture will be stronger than ever, more honest than ever; it will be a culture that has more to offer and it will win. In my opinion, the Torah has the greatest chance of winning, because it has the most to offer."

[YEDI'OT AHARONOT] How will the religious population live in such a state?

[Suissa] "The Rabbinate will be disbanded. In its stead there will be a voluntary, independent Rabbinate that will serve the religious community. Anyone who so desires will register as a member of the community. How will it support itself? The state will return to the community the income tax paid by its members, according to the relative number of its members, and the community will do as it pleases with that money. They will pay, among other things, the rabbis' salaries, so that they will not be dependent on the state."

[YEDI'OT AHARONOT] And what will happen to the religious laws?

[Suissa] "The Knesset will decide that it is illegal to pass such laws. In this way, the tension between secular and religious groups will be dissipated and the secular community will begin to treat the religious community with more understanding."

"Religion is a matter of conscience. I do not want to live in a country that dictated to me how I must behave in matters of conscience. It distresses me that the country determines how you should marry, divorce, and be buried. One of the ingredients for an enlightened state is a lack of interference in the life of the individual."

[YEDI'OT AHARONOT] So, in effect, you want to break down all barriers, allowing, for example, civil weddings.

[Suissa] "Whoever wishes to choose a civil marriage should have that choice. The religious community will not be harmed by it. Further, given that situation, no bastards will be born, because as it stands now, when a man is living with a woman in a civil marriage, the marriage is not valid."

"I heard from a well known rabbi in Israel that he allows rabbis who conduct wedding ceremonies on kibbutzim to use witnesses who are not kosher under certain circumstances, so God forbid the children should not be born bastards. Why should this be the way to resolve the problem? Let us make it official. In my opinion, in the end, 90 percent of the secular population will choose a religious service."

[YEDI'OT AHARONOT] What will the Sabbath be like in your state?

[Suissa] "Religious neighborhoods will be closed on the Sabbath. Mixed neighborhoods will remain open. Public transportation will operate freely. I do not care if, in Rehavia, for example, a movie theater is open on Saturday."

[YEDI'OT AHARONOT] If the CRM demonstrates in favor of showing movies on the Sabbath, will you participate in the demonstration?

[Suissa] "Look, I myself will not initiate a demonstration, because all the religious demonstrations are desecrations of the Sabbath. The demonstrators are forcing the police to ride on the Sabbath, to blow their sirens and talk on the radio. But if the orthodox have already initiated the demonstration and the police mobile units have already arrived, then I would join the counter-demonstration."

[YEDI'OT AHARONOT] I do not understand how you reconcile all of this with the prescribed practice of Judaism. It is a blessing to preserve the Sabbath, and it is also a blessing to convert someone who does not observe, and all of Israel is bound by this law.

[Suissa] "It is written, 'let the rebuke be known,' but if you know ahead of time that your friend will not listen to the rebuke there is no point in pursuing it. It would be preferable for him to be wrong but not be a sinner."

In the CRM they like his ideas. They call him "Swiss" affectionately. Sometimes, when stormy winds are blowing within the movement on religious subjects, the rabbi's presence is a moderating force. Ron Kohen says that Rabbi Suissa helps the CRM not to alienate the religious population.

They consult with him here and there. Knesset members from the movement ask for his opinion on religious issues and for background material, so they will know how to attack and what to suggest. That is how it was with the fallow wheat fields incident, and that is how it was on the issue of national service for women. On the subject of abortion, for example, Suissa refused to express an opinion because, he says, it is against religious prescriptions and his conscience.

Suissa lives peacefully in two worlds. He enjoys a good movie or the theater; he reads Shalom Aleichem and Agnon. From the window of his rented apartment in Bet Shemesh he sees cypress trees, rooftop water tanks, poverty adjoining wealth, rocky mountains. He sits and types sad and nostalgic poems on an old typewriter, plays chess, is a fan of the Betar Jerusalem team. He drives an old Subaru throughout the country, humming Beethoven and Brahms.

[YEDI'OT AHARONOT] Isn't it difficult for you in the left-wing world, Rabbi Suissa?

[Suissa] "Look, once I hated them, and today I understand how wrong I was. I live with them and see how wonderful they are. The left today is in my eyes the positive faction. It is not only possible but necessary to be religious and leftist, in order to fulfill the mission of separating religion and state. I can say with complete assurance: the CRM is filled with respect for religion and tradition. The CRM is not fighting religion. The CRM is fighting religious policy."

"When I see Shulamit Aloni and Rabbi Suissa together," says Ron Kohen, "I believe that there is still hope for this country."

Professor Views Need for New Defense Strategy

44230177 Tel Aviv DAVAR (Weekend Supplement)
in Hebrew 21 Jul 89 pp 5-7

[Article by Yisra'el Landers: "Will the Next War Be a Repeat of the Last War?"]

[Text] A black spot suddenly appeared on the horizon from the direction of Port Sa'id. The spot described a white trajectory in the sky and rapidly turned toward the destroyer Eilat which was sailing at a distance of 13.5 miles from the Egyptian port. There was no doubt that the black spot was a missile fired at the Israeli vessel. Eilat's captain gave the order to fire at it, but the shots missed their target. The missile continued to advance and hit the middle of the vessel. One minute later the Egyptians fired another missile, which landed in the machine room of the destroyer. Many crew members were wounded, a fire broke out, and the vessel listed to one side. About 2 hours later the Egyptians fired a third missile, which hit the bowels of the vessel and caused an ammunition explosion. The captain of the destroyer ordered his people to bail out. While a rescue operation was being organized to save the men in the water, a fourth missile exploded. The vessel sank and many of the sailors who were in the water were wounded by underwater shock waves. The destruction of the Eilat on 21 October by Soviet Styx missiles was the hardest blow that the navy suffered at the hands of the enemy in open battle. Forty-seven men perished and 91 were wounded in that surprise attack.

That failure prompted the Navy to increase its efforts to acquire weapons allowing it to deal with enemy missiles. The outcome of those development efforts were seen in the Yom Kippur war. Armed with Gabriel missiles, our navy defeated the Egyptian and Syrian navies. Enemy submarines fired about 80 Styx missiles, none of which hit any of Israel's missile ships. At the same time, our missile boats fired a smaller number of Israeli-made Gabriel missiles and hit most of the Egyptian and Syrian missile boats.

The Air Force also learned from military failure. The complex anti-aircraft system activated against it in the Yom Kippur war greatly restricted its freedom of movement over the battlefield. In Ezer Weizman's words, "The missile bent the airplane wing." Consequently,

people recognized the need to intensify research, development, and production efforts with a view to restoring to the air force its freedom of action. In the Lebanon war it was demonstrated that that target had been achieved. With the aid of new means of warfare, Air Force planes destroyed a Syrian anti-aircraft missile system with almost no losses. We should also note, however, that the impact of the air element on ground battles had diminished.

The crises that affected the Navy and Air Force contributed to stepping up their equipment with a new generation of warfare means enabling them to operate in the modern battlefield. Only the ground forces did not manage to adapt their weapons and combat doctrine to the technological advances that have revolutionized the battlefield. This revolution consists of the fact that with the aid of guided precision ammunition one can hit and destroy the enemy from a distance. Professor Amnon Yogev of the Weitzmann Institute wrote in his article "Israel's Security in the 1990's and After," which appeared in the publication "2000" (Am Oved Publishing House), that the Gabriel missile was initially developed for the ground forces, but they failed to incorporate it in their combat methods. Worse yet, they failed to develop a combat doctrine capable of utilizing the technological opportunity that fell into their lap almost two generations before any other army had it. The Infantry suffered heavy losses because it lacked the elements that permitted the Navy and the Air force to reap great victories. Failure in the battlefield will certainly shake up ground forces commanders and motivate them to adopt technological novelties and adjust their combat doctrine accordingly. The trouble, Yogev told us in a long conversation, is that the cost of failure on land is so high that we cannot afford it.

A few fighting against many cannot win if both sides are equipped with the same weapons. In the arms race, which is based on existing weapons, Israel's relative advantage over her enemies is gradually being eroded, and the Arabs are correct in their assessment that if this process continues it will soon bring about a strategic balance between them and Israel. Consequently, Yogev warned, if Israel does not change her defense concept, the threat to her existence will steadily increase. Her attack options will be more difficult to carry out, and her ability to strike a preemptive blow will diminish. Peace agreements which are not backed by satisfactory military power can quickly become nothing but a historical episode, as has been known to happen among Arab countries.

Yogev, who works in the physical chemistry department of the Weitzmann Institute, which specializes in lasers and solar energy, is not an academic playing with strategic theories as an intellectual exercise. His academic career was interspersed with stints in the regular army, so he is very familiar with Israel's defense problems. Yogev, a reserve colonel, is a former artillery officer who fought in all of Israel's wars since the Sinai Campaign. He served as deputy chief of research and development in

the Armed Forces, and belonged to the team that worked on the lessons of the war in Lebanon. Today he works as adviser to the auxiliary committee of the Knesset Foreign Affairs and Defense Committee. Thus, there is every reason to take seriously his warnings about the vital threat looming over Israel if it does not alter its defense concept.

Yogev explained that, thanks to rapid technological development, all moving military targets can be hit and destroyed from a distance. That means that there is no need for physical contact between armies in order to destroy enemy forces. Similarly, there is no justification for automatically placing the battlefield in its territory. This conclusion contradicts the Israeli combat concept that was crystallized in the first years of the state. According to that concept, because of lack of strategic depth, the fighting must be shifted to enemy grounds as quickly as possible. Until the 6-Day war that was justified because Israel indeed did not have strategic depth, and technological advances in weaponry did not figure that prominently in the battlefield. At that time military necessity dictated a defense theory that fitted the circumstances. However, the military and political leadership made a serious mistake when it used the same approach in the Yom Kippur war. Instead of taking advantage of the strategic depth imparted by the Sinai desert, the Army fought on the Suez Canal as if the water line were the Western Wall. Dayan wanted to adapt the combat approach to the new circumstances created by the Egyptian surprise attack. In opposition to previous plans and to the IDF's [Israel Defense Forces] regular approach, he suggested withdrawing to more appropriate defense lines instead of fighting for strongholds. But his suggestion was turned down and the IDF continued to fight on the canal, thus being deprived of strategic depth and having to embark on a complex crossing mission rife with obstacles. The distance between victory and defeat was no more than a hairline. In the end the war ended according to the first disengagement accord, on the same lines that Dayan recommended from the beginning.

According to Yogev, the fact that the Yom Kippur war did not end in a clear-cut victory for Israel stemmed from a combination of two factors:

a. Failure on the part of the political branch, which did not set clear targets for the military branch. Had it decided that the aim is not to conquer territory but to destroy the enemy, the IDF would have deployed itself accordingly and would have fought a defensive war, taking advantage of its strategic depth, rather than mount an offensive on the other side of the canal. b. Incorrect assessment by the military branch of technological development and its practical applications. After the Yom Kippur war there was no longer any doubt about the importance of that development; nevertheless, our military concept still did not change. The political branch systematically avoided discussion on the subject and having to establish goals for a future war, while the military leadership is not implementing the changes required by technological progress in the battlefield.

A new definition of the defense concept and warfare goals would impose changes in the structure of the Armed Forces and their various components, and adjustment of the combat doctrine and training to the modern battlefield.

Yogev thinks that only the first prime minister and defense minister, David Ben-Gurion, formulated warfare goals and established an order of priorities for the defense forces. His successors did not instruct the military branch as to the goals to be pursued. If the purpose of war is not defined, the Army prepares for the broadest option that the political branch may require. The result is that when war breaks out the Army implements the broad option, which is conquering enemy territory. It does so in the assumption that it is carrying out the intent of the political branch, or simply because that is what it trained for and because, due to thinking fatigue, it is not examining other options.

This does not mean that there are no circumstances in which a state may decide that it needs a certain territory for various economic or political reasons. In such cases, the infantry and artillery corps must be deployed to conquer. Although in certain circumstances this goal may be morally wrong, from a military viewpoint there is no alternative to using armored units for permanently holding territory. It is, however, idiotic to set territorial conquest as a military goal when it is not necessary from a political or military viewpoint. If the purpose is to destroy enemy forces, then, according to Yogev, world technological capability allows remote hits and destruction of any moving military target—armored, artillery, and infantry. A few tons of guided precision ammunition suffice to destroy all the tanks existing in the world today.

As a result of the revolution in warfare technology, defenders now have the advantage over attackers. The reason is that the defender is less exposed to being hit than the attacker, who must move armies in order to take territory. Weaponry systems used in moving armies to take territory are more vulnerable than defending forces. The side that adopts an offensive warfare approach will have to pay a very heavy price, according to Yogev. That is why he is convinced that Israel must adopt a new defense concept mostly based on precision-guided weaponry and a defensive combat doctrine. He does not go so far as to completely rule out every offensive option. The proper authorities may decide that the country has specific offensive goals and instruct the IDF to stand prepared to defend the country and at the same time reserve an offensive option for achieving certain goals. There is, however, no justification for the concept that gives greatest precedence to moving the war into enemy territory.

Yogev stresses that a decision must be made without delay on altering our outdated defense approach. Technological means changing the nature of the battlefield have already been developed or are within reach in the modern world. Our enemies are certainly aware of that

and we must not lag behind in the technological race. This is precisely the area in which we have a great initial advantage in that we have the capability to design and manufacture aircraft, tanks, and missile boats (although Yogeve does not recommend that we do so). Each side can purchase, of course, advanced systems from one of the big powers, but one does not gain the upper hand in the balance of power by acquiring a ready-made system, because the other side can do exactly the same thing. In order to make one's weapons invulnerable, they have to be "different" and secret. Anyone who is familiar with a system can defeat it. Consequently, one cannot buy superiority—one has to create it.

Thanks to its technological level, Israel can for the first time in its history achieve an indisputable advantage in the balance of power. The classical tank will not be able to measure up to its rivals in the battlefield and is doomed to lose its priority. Similarly, manned aircraft, which assist the land forces in attacks on ground targets, is fated to lose their greatness. Their place will be taken by sophisticated warfare systems based on advanced technology. When that happens, the IDF will have less tanks and a much smaller air force. With the help of advanced weapon systems, Israel will be able to preserve its military superiority for the long run. To ensure that, the political and military branches, who are well aware of that basic fact, must adopt a new defense approach suited to the coming decades. Today there is no longer any dispute concerning technical conditions and their impact on the battlefield. That is why Yogeve criticizes the political branch, which is evading decisionmaking by repeatedly postponing it. The higher military leadership is also avoiding decisionmaking, although every postponement may cause us to lose ground in our most important race ever. According to him, the current defense leadership has built an image of innovation compared to its conservative predecessors. Before being appointed, the chief of staff spoke in praise of a small, mobile, and sophisticated army. That sounded as if he knew what must be done, but when he was given an opportunity to throw his weight behind that goal, he did not use it. One of the reasons may be that holders of several senior positions are afraid of the unavoidable ensuing changes and are deluding themselves by thinking that in fact there is nothing new in the battlefield. Yogeve pointed out several of the psychological and sociological roots of the old defense concept: the personal technological ability of senior commanders is very limited. The same commanding officer who feels insecure having to do a technological situation assessment may see himself as an expert when leading his men in assault on a fortification and examining the "quality of the assault." Such commanding officers claim that very little has changed in the battlefield. What that wishful thinking actually means is: "I am still a senior professional." The senior commanders' generation feels threatened by this new and alien reality, and it struggles to preserve the status quo in order to preserve its position.

Since the IDF relies on reservists, too, the struggle for the defense concept goes beyond the confines of the regular

army. Reserve veterans of many battles stand behind the upholders of the old defense concept. Men who served in the infantry, paratroopers, armored corps, artillery, and air force and reached senior positions praise the tanks, airplanes, and other weapons they used at the glorious time of the 6-Day war. That is why Yogeve doubts whether the military leadership will make the necessary changes in the defense concept.

Ultimate responsibility in this matter rests with the political leadership, but instead of the far sightedness and daring that characterized the generation of the founding fathers, we have the mediocrity of preservers of the status quo. Those people lack the imagination and courage to blaze a new path in national leadership. They let themselves be swept by events, and if public pressure is not brought to bear on them without delay to amend the defense concept, we will all have to pay the price for it, and it is doubtful whether we will be able to mend the evil done.

[Box, p 7] Heroic Values and Practical Goals

Conservatism is one of the characteristic traits of the military system. Yogeve cites several examples of that:

- Parachuting procedures: Paratroopers enjoy great admiration and the talented among them reach very high professional levels. But what is the sense in training them for parachuting options, when there is no reasonable chance that airplanes will ever drop them on modern battlefields?

Parachute exercises remind Yogeve of the futile bayonet training practiced by the IDF at the beginning of the 1950's or, in a different area, of orthodox descendants of the priestly caste practicing to perform temple sacrifices. In his opinion, parachute training and procedures in their current form must be abandoned, thus saving the allotted funds.

NAHAL [Pioneer Fighting Youth]: NAHAL soldiers devote part of their service to agricultural training. Today it is already clear that there is no need for additional agricultural settlements, since the existing ones more than meet all our produce needs. Consequently, Yogeve thinks that there is no national value in NAHAL's nonmilitary activities.

Assault: The IDF has drummed into its soldiers and commanding officers the belief that assault is the best solution to battlefield difficulties. When weapon range was short and the most frequent purpose of warfare was to conquer territory, assault played a vital role in the battlefield. In the course of time, assault as a value became more important than the purpose of the battle itself. However, the new weapon systems and the capability to destroy the enemy without taking territory often eliminate the need for assault. Those who still proceed to assault in such conditions are likely to pay a high and unnecessary price. That is not heroism, merely unnecessary stupidity.

VOA Investment in 'Arava Provides Economic Boost

44230160b Tel Aviv YEDI'OT AHARONOT (Financial Supplement) in Hebrew 11 Jul 89 p 2

[Article by Aryeh Avneri: "The Voice is 'Voice of America' and the Hands are Those of the People of the 'Arava']

[Text] Minister of Communications Gad Ya'aqovi was a bearer of good tidings last week to several development towns in the south, following the publication of three requests for tenders on earthmoving and infrastructure projects and the installation of high-voltage systems for the Voice of America [VOA] relay station in the 'Arava, in the Hatzeva region.

The tender requests are being published following the completion of the planning of the station, which was carried out in the past year by joint Israel-U.S. teams (the Israeli team included the employees of the 'Support Unit' of the Ministry of Communications, and the American team came from the large private firm of International Broadcast Systems).

According to the contract signed by the governments of Israel and the United States in August 1988, about \$14 million were invested in the comprehensive planning, which stressed the protection of security and environmental interests and conformance with the planning specifications. The implementation will be completed by the end of the year. Additional tender requests are expected for construction, guard services, civil engineering, and the electronic, communications, and control systems.

In a written review of the activities of his ministry during 1988-89 that the minister of communications submitted recently to the Knesset, he notes, among other things, the significant point that at least 50 percent of the contracts were issued in Israel, with the only limitation on the Israeli firms that win the projects being the purchase of the broadcasting equipment in the United States.

Ya'aqovi: "With the publication of the first request for tenders, the implementation of the largest civilian project in the 'Arava since the establishment of the State gets underway, at an investment of about \$350 million over 3 years.

"Only Israeli firms working as prime contractors, sub-contractors, and suppliers of equipment can participate in the bidding. This project will undoubtedly have positive economic consequences from the viewpoint of employment in the south, and at the same time it will be a shot in the arm for the winning national firms."

The companies that are likely to benefit from the new project in the 'Arava, should they be awarded the contracts, are those specializing in earthmoving, road paving, drainage and plumbing, electrical systems, electronics, telecommunications, etc.

Yoram Alster, the former director general of the Ministry of Communications, who was one of those who signed the agreements with the U.S. Government, stated that the infrastructure and work that will be carried out by the Israeli firms that win in the first stage of the bidding will account for \$100 to \$120 million of the entire budget for the project. In the "second round," additional Israeli firms will achieve the status of subcontractors for American firms, which will be given the work of setting up the transmitters and antennas, which will rise 200 meters. That will leave several more tens of millions of dollars in Israel.

The green light for the construction of the Voice of America, on a 10,000-square meter plot in the 'Arava, already succeeded in the last few days in shaking up the nearby 'Arava settlements. Moshe Shamir, head of the Tamar Regional Council, within whose municipal boundaries the relay station will be erected, said, "Not all the plans have been submitted for the receipt of building permits. Any attempt to begin construction on the site without a permit will encounter vigorous opposition." The Ministry of Communications hurried to clarify that it does not intend to ignore the permits.

Employment Service personnel in the south related the lack of belief of residents in the development towns regarding the possibility of taking part in the project. The opposition of residents of the 'Arava settlements to the project is due mainly to the fear of a health hazard from the radiation that might be emitted during broadcasts. Gad Ya'aqovi said, "Experts who examined the assertions concerning the fear of a health hazard determined unequivocally that there will be no impairment of the quality of life."

The Americans intend to establish a new settlement with an American character next to the station. Tens of Israeli families will live there, along with a group of American employees who will actually conduct the broadcasts. The Americans promise a level of environmental security and the correction of any problem that might arise.

Three years ago, when Israel was chosen as the strategically suitable site for the station, and after Israeli agreement had been given in principle, the nearby 'Arava settlements asserted that the Israeli government had been too generous towards the American authorities, waiving in advance the leasing fees and property tax, which together would have amounted to \$20 million.

Yoram Alster, who is now Chairman of the Board of Directors of Bezeq, responded with the argument that ownership of the large tract will not pass to the Americans. According to the written agreement between the two sides, after 15 years of use by the Americans, all of the installations will be transferred to Israel, which will find a suitable use for them.

It was agreed that those responsible for the project in the United States would deposit \$16 million in the Bank of Israel, as a sign of goodwill, with the aim of dividing up the entire amount among the settlements of the region

when work begins on site. The Minister of Communications said, "In a short time, the monies will be released, and they will certainly aid in the development of the settlements in several vital areas."

At the same time, it was agreed between the two sides that the American management of the project would pay the regional council for customary municipal services, such as trash removal and sewer, and for special services.

JORDAN

JPDP Phrased Program Document Examined

44040543b Nicosia AL-HURRIYAH
in Arabic 30 Jul 89 pp 34-37

[Article by 'Isam Ahmad: "Lights on Jordanian People's Democratic Party's Phased Program Document; Party Convenes Its Congress and Announces It Was Founded on 25th of This July; Party Launches Its Start by Calling for Broad Struggle Front for National Salvation and Democratic Change"]

[Text] On 25 July 1989, the JPDP [Jordanian People's Democratic Party] addressed to the people's masses and to all the country's patriotic and living forces a political communique which was circulated on a large scale on the outcome of its constituent congress which had convened a few days earlier. In the communique, the party presented the main tendencies of its analysis of the current situation in Jordan, and of the struggle tasks required for national salvation and democratic change.

The JPDP is a new party with a program, struggle tendencies, and polarization capabilities. It was born in the wake of a profound dialogue in the ranks of the Jordanian Democratic Front (Majd). The JPDP began after the Jordanian Government announced its decision to break its legal and administrative relationship with the West Bank at the end of July 1988. The party accelerated with the eruption of the wrathful popular uprising in Jordan last April. After the uprising, Jordan entered a new political phase which dictated a fundamental development in the Jordanian national action formulae and struggle programs. This internal dialogue was crowned with the convocation of the Jordanian Democratic Front's Party Council (congress). This congress' deliberations and conclusions made it manifest that the decision to disengage and to recognize the state of Palestine was tantamount to a victory for the struggle of the Jordanian and Palestinian peoples against the oppression and annexation policy and against the U.S. solutions, and that it represented a response to the national movement's struggle for recognition of the Palestinian people's right to self-determination and their right to establish their independent state on their land with their independent representation through the PLO, their sole legitimate representative.

With this great victory, broad horizons were opened to the national movement—horizons dictating that the

movement redraft its struggle program on the basis of focusing its efforts on new priorities led by the priority of the struggle for democracy and for liberation from subservience, of protecting the people's living standard from ever accelerating deterioration, of mobilizing the people behind a salvation program that opens the door for providing the requirements of economic progress, and for paving the path of developing the country independently.

The congress also concluded that these developments have laid the Jordanian-Palestinian relations on new foundations of independence, equality, and fraternity, and have opened the way for reshaping the struggle relationship between the Jordanian and Palestinian peoples' national movements on the basis of strengthening mutual respect for the independent and distinctive national identity of each of them.

The congress concluded this internal dialogue with a unanimous resolution ending action in accordance with the formula of the Jordanian Democratic Front Organization. It instructed all of Majd's organizations and strugglers to enlist in building the JPDP in its capacity as a "vanguard party of workers, farmers, and all of the toilers and revolutionary intellectuals; a party of all the sons of the people, both Jordanians and Palestinians, and a framework for bolstering their national unity in the struggle for national liberation and democracy, for protecting the interests of the people's masses and their right to a livelihood and work, for bolstering the country's independence and sovereignty and securing the requirements of its economic revival, for securing the democratic liberties and rights of all the citizens, and for supporting the Palestinian people's struggle and aiding their valiant intifadah [uprising] until they accomplish their objectives of repatriation, self-determination, and building their independent state on their national soil."

The congress has asserted that from its position as an independent party within the Jordanian national movement, the new party will continue its firm struggle relations with the DFLP [Democratic Front for the Liberation of Palestine] as an embodiment of the distinguished historical relationship between the Jordanian and Palestinian peoples and the singular fate of their common struggle for their national objectives. The JPDP constituent congress convened a few days later and passed its phased program document and its constitution and elected its central committee. On 25 July, the JPDP addressed to the people's masses a communique announcing its foundation and its action tendencies (see communique issued by Majd congress and final communique on activities of party's constituent congress in this issue).

JPDP Constituent Congress Report

In the analytical program document the congress adopted as a basic program guiding the party action, the JPDP has profoundly analyzed the nature of the complex

crisis being experienced by Jordan, namely the socioeconomic crisis and the political crisis. Dealing with the political crisis, the congress analyzed the components connected with the political democracy crisis and with the lack of popular participation. It also analyzed the crisis elements connected with Jordan's role in the Arab-Israeli conflict and with the Palestinian issue. Moreover, it perused the conditions of the organized popular movement and the tasks required to elevate its role in defending the vital interests of the various popular sectors.

The final chapter analyzes the condition that has prevailed since the April uprising and draws conclusions regarding the current struggle tasks facing the national movement and the living forces of change in Jordan. This analysis is tantamount to an outstanding intellectual, ideological, and political contribution which will play its role in rejuvenating and enriching the Jordanian progressive nationalist thinking, injecting intellectual and political vitality into the national life, and will open the door for reviving dialogue and debate among the ranks of the various popular circles.

If it is impossible to fully introduce the document (80 medium-size pages divided into six chapters) in this sketch, then we will content ourselves with shedding some quick lights on the document's more prominent bannerlines and on its main conclusions regarding the current struggle tasks in Jordan.

1. Crushing Socio-Economic Crisis: Roots, Consequences and Ramifications

In chapters 1 and 2, the document focuses its analysis on the elements and roots of the socioeconomic crisis and on its ramifications and consequences. It highlights the conclusion that the ruling class' parasitic structure, this class' firm bond to imperialism and its extreme hostility for the people's democratic liberties, are responsible for the deeprooted socioeconomic crisis, and for obstructing the real salvation solutions capable of leading the country out of the labyrinths of the catastrophe in which it is mired.

The document concludes that despite the official efforts to camouflage the real nature and roots of the crisis and the dimensions of its proliferation, the crisis is a deep-rooted structural crisis that finds its roots in the structure of the Jordanian economy which has been flawed and distorted for decades as a result of the ruling class' parasitic structure, the pattern of its connection with world imperialism, and the special and distinctive role it has been playing in serving the imperialist strategic interests in the region. This is what has obstructed the productive national forces, diminished the material production base, and inflated the role of the services sector, at whose heart lies the governmental service sector. This distorted structure of Jordan's national economy has

generated profound deformities and flaws at the economic and social levels, at the level of the workforce, and at the level of the country's deep dependence on foreign aid and resources.

Even though the role performed by the ruling class in protecting the imperialist interests in the region has been eroded and has declined since the mid-1970's, and even though this erosion and decline coincided with the presence of extraordinary circumstances under the umbrella of the oil upsurge which increased the flow of foreign aid, especially from Arab sources, the ingrained parasitic characteristics of the ruling class and this class' interests, which dictated developmental and economic options that fall within the framework of preserving the bonds of subservience to imperialism and of merging in the capitalist market, led to bolstering and entrenching the structural flaws in the Jordanian economy and to intensifying the subservience to neoimperialism. This is what ultimately led to the eruption of the comprehensive stagnation and collapse crisis in the early 1980's—a crisis which has continued to intensify to the present.

The document concludes that the subservient capitalist development pattern experienced by Jordan has not been able, despite its accelerating tempo and despite the abundant investments that have accompanied it, to fundamentally and decisively pierce the conventional characteristics of the Jordanian economy, i.e. this economy's weakness and distortion, its excessive reliance on foreign aid, and its subservience. Rather, this pattern has strengthened these characteristics. The document notes the serious consequences emanating from this pattern at the economic and social levels, especially the devastation and decline that have afflicted agriculture, the farmers and rural producers, the widened gap between the city and the countryside and between the capital and the other governorates, the intensifying unemployment crisis, the intensifying poverty, and the disparity in the distribution of wealth and national income.

As part of its conclusions regarding the most significant lessons learned from the economic crisis and from the official failure to tackle it, the document asserts that inasmuch as it is the outcome of a certain economic course, the crisis is also the outcome of political and social factors. The crisis is the result of the monopolization of government by the minority which controls wealth and the means of production, the result of denying the people their liberties and their right to political participation, and the absence of constitutional institutions entrusted to watch the executive authority, bring it to account, and replace it. The document concludes that there is no cure for the economic crisis unless the country's political and democratic crisis is tackled.

2. Political Crisis Is Generated by Intensifying Tendencies of Domination, Oppression, and Total Arrogation of People's Rights and Liberties

Chapter 3 of the JPDP program document sheds light on the background of the domestic political crisis as a crisis

of democracy and public liberties. After reviewing the mainstays of the comprehensive governmental arrogation and oppression program—a program embodied in the emergency law, the administration's martial directives and the hostile laws that are immune to appeals and that restrict liberties instead of regulating the exercise of liberties—this chapter underlines the danger of turning the legislative authority into a marginal authority, of obstructing electoral parliamentary life, and of depriving the civilian judiciary of their rights and powers. The chapter also draws attention to the escalating tendency of successive governments to commit violations, especially the government of Zayd al-Rifa'i, with its violation of liberties and persistent reliance on martial laws that are immune to appeals.

The document concludes that the intensifying governmental tendencies for domination, for denying the broad masses the means to legitimately defend their interests, and for blocking the channels through which these masses can express their demands and their aspirations, have hurled society into a severe conflict that drains its strength. These tendencies have also intensified the political and social wrath among broad sectors of the masses and have further isolated the regime from the people.

The document notes that this policy has not guaranteed the country's security and stability. Conversely, it has nurtured the elements of destruction, disintegration, and unrest in society, and has charged broad social and popular sectors with wrath, resentment, despair, and radicalism. The document concludes that a review of the lessons learned from last April's large-scale popular protest movement call for opening the door to a real change in the country's life, for spreading democracy in the various aspects of the country's domestic political, economic, and social life, for releasing the public liberties, for reviving the constitutional institutions, for holding free and impartial parliamentary elections, and for abolishing the martial and emergency laws. The document asserts that the country's circumstances have, for a long time, been ripe for marching on the path of democratic transformation. The April uprising proved that marching on this path is the means to preserve the country's unity, cohesion, and stability, and to rescue the country from its stifling economic crisis.

3. Connection Between Crisis and Jordan's Role in the Arab-Israeli Conflict and Palestinian Issue

Chapter 4 of the document deals with the current crisis from the angle of its connection with the role the ruling class has played in securing a balance in the imperialist interests in the region as a whole, especially at the level of the Arab-Israeli conflict and its central issue, embodied in the Palestinian issue. The document notes that the course of coercive annexation and attachment, of claiming the right to represent the Palestinian people, of defacing their distinguished national identity and of wagering on the U.S. settlement plans—which constitute the essence of the role performed by the ruling class—

encountered a historic dilemma when the Rabat resolutions were adopted in 1974. This dilemma continued to intensify from that time until the Palestinian people's intifadah [uprising] erupted in the occupied territories and released the process of the dramatic and rapid collapse of the mainstays of this course. The intifadah underlined the Palestinian element as an independent factor in the Arab-Israeli conflict. The intifadah has also confirmed that it is impossible to overlook the Palestinian people's right to independence and sovereignty over their own soil, and impossible to disregard their right to independent representation through the PLO. Moreover, the intifadah has bolstered international and Arab solidarity with the Palestinian people's struggle, has renewed Arab recognition of and pride in the Palestinian people's legitimate national rights, and in the role of the PLO as a sole legitimate representative of the Palestinian people. These are the developments that dealt a fatal blow to the regime's annexation policy and to its efforts to enlist in the U.S. settlement schemes. The Jordanian Government's decision on disengagement from the West Bank at the end of July 1988 and this government's full legal recognition of the independence of the state of Palestine on 15 November 1988 are tantamount to an involuntary admission of the failure of the policy of annexation and attachment, arrogating the independent Palestinian representation, and tantamount to an official acknowledgment of the bankruptcy of this policy and of the dead end it has reached.

The document stresses that the disengagement decision and the subsequent recognition of the state of Palestine objectively put the country at the threshold of a new political phase that opens the door for the country to march on the path of democratic transformation and salvation from the maelstrom of stifling economic crisis. But the ruling circles did not exploit this opportunity and shut their ears to the rising demands for releasing the liberties, abolishing the martial laws, holding free and impartial parliamentary elections, and enabling the broad masses to participate in making the country's future and in developing successful solutions to rescue the country from the worsening economic conditions. Instead, the ruling circles persisted in camouflaging the crux of the crisis and resorted to means of oppression, to suppressing the liberties, and to numbing the people with promises. What is more serious is that these circles resorted to dividing the national ranks by provoking regional rancors, all of which culminated with the major popular eruption last April.

The document further concludes that the new condition dictates that the relationship between the Jordanian and Palestinian peoples must be based on a firm foundation of equality, fraternity, and independence. Simultaneously, the two peoples must strengthen their solidarity in their struggle against the common enemy. The party notes that this applies to the relationship between the Jordanian national movement and the Palestinian national movement, which must be reshaped on new bases that bolster mutual respect for the distinctive

national identity of each movement without breaking the fateful unity and firm struggle alliance between them.

The document states: "The new situation requires the Jordanian national movement to reexamine the priorities and strategy of the country's democratic national struggle. If the struggle against the policy of annexation and for recognition of the Palestinian people's national rights formed until recently one of the most prominent major axes [mahawir] of the progress of the country's national democratic struggle, then the defeat inflicted on the annexation policy pushes to the forefront the struggle tasks required for democratic transformation, and for securing the components of economic revival on the basis of ending subservience, of disengaging from imperialism, and of protecting the vital living interests of the people's masses."

4. Current Situation, National Salvation, and Democratic Transformation Tasks

The prelude to the JPDP program document underlines the signs of popular revival as revealed by the April uprising and by the subsequent large-scale movements. In its sixth and final chapter, the document continues its evaluation of the ramifications of this uprising and of the broad national consensus it generated—a consensus on change and on a comprehensive reexamination of all flawed aspects in the country's life. In this regard, the document underlines the growing awareness among popular circles of the crux of the crisis and of its true elements and causes. The document also underlines the profound realization among these circles that the opportunity for dealing with the crisis is the struggle for change and for a democratic transformation that guarantees the broadest popular participation in making the country's future and in determining its options. It also underlines the escalating readiness among the masses to defend their living interests and democratic rights.

The document further notes the superficial and fragmented nature of the solutions embraced by the new government and the continued presence of the circumstances which led to entrenching the crisis. It concludes that fundamental change in the development course and tendencies and in the political regime's course comes through democracy, through reliance on the people and their productive forces, and through popular participation in steering the rudder of government and in controlling the government apparatus.

The document calls for efforts to surmount the ruling alliance's obstruction of the national salvation program and of democratic transformation by mobilizing the organized masses and elevating their role in organizing the struggle among the various sectors of the people. This is so that they may defend their immediate interests, restore their rights to form independent political, unionist, and social organizations, may speed up the holding of general parliamentary elections, rehabilitate the constitution, revive the constitutional institutions,

end the martial rules and emergency laws, and guarantee the freedom of expression, publication, press, and the right to form parties.

Toward The Broad Struggle Front of Change Forces, Toward Parliamentary Elections With Unified Ranks

The JPDP has urged all the national forces and notables, all the popular and social figures, and all the living forces, to meet and consolidate their efforts through a broad front, so as to struggle jointly for democratic transformation and national salvation, regardless of intellectual and political differences and of narrow factional motives. The party has announced that it extends its hand of sincere cooperation to meet, hold dialogue, and work jointly with all these forces on the basis of the national salvation and democratic transformation program. The JPDP has expressed the belief that the coming parliamentary election campaign provides the opportunity for uniting and consolidating the capabilities of all the living national forces which believe in change, in order to guarantee the election of a parliament that reflects the people's will and expresses their aspiration for change.

The party has presented its own phased program of struggle for the people's rights and liberties, and for the country's sovereignty, independence, and national unity. The program encompasses the following 5 points:

1. Free democratic liberties, insure popular participation, rehabilitate the constitution, and revitalize its institutions.
2. Defend the popular masses' vital interests, protect their right to a proper living standard, and fight inflation, unemployment, and poverty.
3. Mobilize the people's capabilities and the country's resources to end the economic decline, to develop the production base, to strengthen the elements of the national economy's independence, and to end subservience.
4. Entrench the country's national unity.
5. Defend the country's independence and sovereignty from Israeli aggression and expansion, and support the Palestinian people's struggle for their right to repatriation, self-determination, and national independence.

MOROCCO

Ministry Approves 182 Investment Dossiers

45190120 Casablanca MAROC SOIR
in French 25 Jul 89 p 4

[Text] According to the Ministry of Commerce and Industry, 182 industrial investment dossiers were given the stamp of approval during May 1989.

Of these dossiers, 57 were newly created projects and 125 were extensions, an increase of 20 projects over last April and 47 over May of last year.

Total investments, a Ministry of Commerce and Industry memo adds, were on the order of 475 million dirhams, which represents a 46 percent drop over last month and a 1 percent drop over last May.

These investments will require foreign-exchange expenditures of 313 million dirhams; this is a 38 percent decline compared to last month and a 12 percent reduction compared to the same month last year, according to the memo.

Some 5,196 jobs were created during May, or an increase of 4 percent compared to last month and 50 percent compared to last May.

Moreover, the memo states that 63 percent of the business ventures initiated during May aim to export all or a part of their production.

Investors' own funds top the list of financing methods. According to the memo put out by Ministry of Commerce and Industry, these private funds will finance 53 percent of the investments, followed by bank loans, 24 percent; BNDE (National Bank for Economic Development) loans, 13 percent; leasing, 8 percent; and commercial credit, 2 percent.

Private Moroccan promoters are investing 80 percent of the total, with foreign investors contributing 19 percent, and the public sector the remaining 1 percent.

Each dossier involves, on the average, 2.6 million dirhams capable of creating 29 jobs, for 91,000 dirhams each.

The memo reports that, from January to May, investment grew 19 percent compared to the same period during the previous fiscal year.

The May 1989 situation shows the textile and leathers industry, which accounted for 43 percent of the dossiers, in first place, capturing 36 percent of total investments. The chemicals-parachemicals sector is next, with 28 percent of total investments. The agricultural-food sector ranks third, with 18 percent of investments. Industrial companies come in fourth, with 7 percent of investments. The electrical and electronics industries hold fifth place, with 6 percent, and, lastly, the mechanics industry ranks sixth, with 5 percent of total investments.

An analysis of the geographical distribution of these investments shows the wilaya of Greater-Casablanca leading, with 97 of the approved dossiers, worth a total of 213 million dirhams. This amounts to 45 percent of the total investments, 57 percent of the jobs created, and 53 percent of the projects approved.

Tangiers province ranks second, with 17 dossiers worth 53 million dirhams, or 11 percent of the total investments and 10 percent of the jobs.

Meknes province is in third place, with 5 dossiers involving a sum of 41 million dirhams, or 9 percent of total investments.

Essaouira province, with 2 dossiers entailing investments of 35 million dirhams, ranks fourth.

According to the rankings established by the Statistics and Documentation division of the Ministry of Commerce and Industry, the remainder of the Kingdom's regions share a total of 61 dossiers worth 133 million dirhams, or the remaining 28 percent of total investments.

Foreign Investments

Foreign investments initiated during May of 1989 come to 89 million dirhams, or 19 percent of the total invested, broken down as follows:

- France: 58 million dirhams, or 65 percent of the foreign total and 12 percent of the total invested.
- Syria: 9 million dirhams, or 10 percent of the foreign total and 2 percent of the total invested.
- Luxembourg: 8 million dirhams, or 9 percent of the foreign total and 1.6 percent of the total invested.
- United States: 4 million dirhams, or 4 percent of the foreign total and 0.8 percent of the total invested.
- Spain: 4 million dirhams.
- Italy and Algeria: 2 million dirhams each.

Of the 182 dossiers received, 103 involve small and medium industries: 49 new ones and 54 extensions, or 57 percent of the total. These projects will be capable of creating 3,681 jobs, or 71 percent of total employment, and will require expenditures of 131 million dirhams. Of those expenditures, 83 million will be in foreign currency, or 28 percent of total investment.

Average investment per dossier for small and medium industries is 1.2 million dirhams and the average cost per job 35,000 dirhams. Small and medium industries will thus create 3,681 jobs with investments of 131 million dirhams, while large industry will only create 1,515 with 344 million dirhams. That means that small and medium industry creates 7 times as many jobs per amount invested as large industry does.

As far as geographical distribution is concerned, the wilaya of Greater-Casablanca leads, with investments of 79 million dirhams (60 percent of the total for small and medium industry), 2,345 jobs (64 percent of the SMI jobs) and 58 dossiers (56 percent of the SMI projects).

Tangiers province comes in second, with investments of 12 million dirhams (9 percent of the total SMI), 371 jobs (10 percent of SMI jobs), and 10 dossiers (10 percent of SMI projects).

Fes province ranks third, with investments of 6 million dirhams (5 percent of the total SMI), 89 jobs (2 percent of SMI jobs) and 2 dossiers (2 percent of SMI projects).

The remainder of the regions in the Kingdom shared investments of 34 million dirhams, 874 jobs and 33 dossiers.

Forty-seven percent of these investments will be financed by the investors' own funds, 32 percent by bank loans, 12 percent by BNDE loans, 8 percent by leasing, and 1 percent by commercial credit.

Exchange Office Undertakes Major Step To Relax Regulations

*45190124a Casablanca LA VIE ECONOMIQUE
in French 7 Jul 89 p 11*

[Text] Under Foreign Exchange Office circular No 1.526 of 21 June 1989, banks are now authorized to use funds deposited in foreign currency accounts held by foreign nationals or corporations for investments on the international capital market.

Banks may not offer higher interest on deposits than they receive on investment for the account.

This measure appears to mark a major step in the process of relaxing foreign exchange regulations. When asked about the goals of this measure, Foreign Exchange Office Director Ali Amor answered as follows:

"This circular falls within the scope of the policy of easing foreign exchange regulations. Our foreign exchange regulations have always authorized foreign exchange and convertible dirham accounts. While they were initially restricted to nonresident foreigners, in 1980 this option was extended to resident foreigners, who may hold convertible dirham accounts and foreign currency accounts. Deposits to these accounts may come from two sources: either transferable property or nontransferable currency, that is, currency that does not result from a Moroccan product or service and consequently need not be assigned to Bank Al Maghrib.

"While authorization to open foreign currency and convertible dirham accounts has been extended to all resident and nonresident foreign nationals, to date, only convertible dirham accounts have been interest bearing. Under the Finance Ministry decree of 23 July 1986, banks are free to pay interest on foreign convertible dirham sight-and-term deposits. However, until now foreign exchange regulations have not allowed payment of interest on foreign currency deposits because the interest paid might reduce our foreign currency reserves, which were supposed to be used essentially for priority expenditures.

"In order to attract foreign capital to Morocco and increase foreign currency deposits, it has become necessary to find a way of paying interest on foreign currency deposits made by foreign nationals. There are two possibilities: the interest can be paid out of our foreign currency reserves, or the banks can be allowed to invest the funds in these accounts and to pay their clients from

the proceeds of the investments. Circular No 1.526 of 21 June 1989 represents the choice of the second option.

"This interest system has two advantages. It allows banks to pay interest on foreign currency deposits without dipping into our foreign currency reserves, and it gives our banking system a chance to open up to the outside world and become more international by operating on the international financial market."

When asked whether this measure was intended to prepare Moroccan banks for the institution of a foreign currency market in Morocco, Mr Amor told us that, "currently, funds in foreign currency accounts only benefit the banks at which the deposits are made. These banks use them to obtain credit lines with their foreign correspondents with whom these accounts are associated." "As things now stand, there is no foreign currency market in Morocco, but the emergence of such a market cannot be excluded, and in the future there is nothing to prevent foreign currency loans from being made between Moroccan banks or to exporters or economic operators that look abroad for foreign currency loans. The system instituted can be seen as an intermediary step required until the reforms that have been begun have been completely assimilated and the mechanisms and structures needed for such a market have been put in place."

Social, Economic Effects of M'jara Project Reported

*45190124b Casablanca LA VIE ECONOMIQUE
in French 14 Jul 89 pp 5-6*

[First four paragraphs are LA VIE ECONOMIQUE introduction.]

[Text] With the 5 July signature in Rabat of finance agreements with the Spanish, Italian, and Arab partners (Arab Economic and Social Development Fund, Kuwait Fund for Arab Development, and Saudi Development Fund), the integrated M'jara project is now under way. A draft finance agreement was also signed with the Soviet Union in June.

The M'jara project financial package is unusual because of the diverse sources of financing and the terms of repayment in kind (farm products) with the Soviets.

The M'jara hydroelectric complex also stands out for the level of financing needed—around 1 billion dollars. In addition, projects associated with the complex (highway infrastructure, irrigation, sugar refineries, food processing plants, etc.) will bring total investment to over 3 billion dollars, making M'jara a project of tremendous scope.

Currently, there are 60 large and medium-sized dams in operation and 4 large dams under construction. With a total capacity of 10 billion cubic meters, they regulate 6,750 million cubic meters from year to year and allow control of 590 thousand hectares. These large dams are being built within the context of high royal instructions mandating that every drop of water be put to use and the most made of the nation's water resources.

With a holding capacity of 3,800 million cubic meters, the 172.5-meter-high M'jara dam on the Ouergha will be the biggest in Morocco. This enormous earthwork structure, which will surpass the tallest pyramid by 40 meters, meets three major objectives directly:

- To create an enormous reserve of water to irrigate the Rharb and supply drinking water to the coast (Kenitra, El Jadida).
- To regulate the course of the Ouergha and the Sebou and to protect the Rharb from flooding.
- To produce electricity.

According to initial estimates, the dam will cost 6,482 million dirham. The entire project will cost over 10 billion dirham.

However, considerable economic benefits are expected, especially in agriculture.

Agricultural Benefits

Agricultural earnings will increase due to a move from low-profit extensive farming to more intensive farming in areas of the Lower Ouergha where the introduction of a fodder-based crop rotation system and selective breeding of pedigreed cattle will mean greatly increased earnings per cubic meter of water.

The increase in agricultural earnings is measured as the net difference in production value between the project situation and the reference situation.

Net production value estimates are as follows:

- Reference—3,757 dirham per hectare, or 364 million dirham per year.
- Project—15,673 dirham per hectare, or 1,517 million dirham per year.
- Increase in agricultural earnings from project—1,153 million dirham per year.

The following table shows current and future yields.

Crop	Reference		Future	
	Area (Hectares)	Yield (Metric Tons)	Area (Hectares)	Yield (Metric Tons)
Grains	79,220	174,248	29,841	137,321
Legumes	13,100	18,340	675	1,688
Ind. Crops	3,900	117,000	27,000	1,246,640
Fresh produce	5,675	68,100	26,612	532,240
Oil-producing	12,200	14,640	6,673	16,683
Fodder	4,480		43,579	
Milk		10,689		183,780
Meat		3,266		11,040
Peanuts			8,200	14,760
Rice			7,683	34,574
Soy			10,213	30,639

Energy Benefits

Building a hydroelectric plant has the following advantages:

- Avoids outlay of 455 million dirham for the alternative solution, a natural-gas-powered thermal plant.
- Avoids annual expenditure of 8.5 million dirham for operation of the plant.
- Saves 138 million dirham a year in fuel.

However, building the M'jara dam and damming the Lower Sebou will mean gains in both infrastructure and agricultural production.

Reduced frequency and volume of flooding will mean a reduction in damages estimated at 200 million dirham per year. The following table gives an example of probable damage from a flood similar to the one in 1970:

	Area Flooded	Damage (Hectares)	Total Damage (Million Dirham)
Crop damage			
Irrigated	94,301	10,300	968.5
Dry	10,625	4,496	47.8
Total	104,926		1,016.3
Equipment			112.1
Infrastructure			63.9

Area Flooded	Damage (Hectares)	Total Damage (Million Dirham)
Social		34.8
Misc.		343.3
Total damage		1,570.4

Related Benefits

In addition to the direct impact on agricultural and energy production and the indirect impact in the area of increased protection from flooding, the project will have indirect economic and social consequences, both upstream and down.

This impact is estimated on the basis of increased profitability of activity sectors upstream and downstream of the project, based on the results of their operating accounts.

The estimate thus obtained is a minimum estimate, since it does not reflect secondary effects linked to economic activity resulting from circulation of increased profits earned by the various agents.

Earnings resulting from the integrated M'jara development project in sectors upstream and downstream from the project are computed in percentages of gross production value in the sectors involved.

Before farm products resulting from the improvement of the 100,000 hectares can be marketed, they must be refined and valorized by Moroccan food processing plants, such as:

- Sugar refineries
- Dairies
- Slaughterhouses
- Canneries
- Oil mills
- Flour mills

These industries can absorb some of the project-generated production without additional investment to increase processing capacity. For industries that must be created to service the project, related earnings are computed on the basis of net added value.

Three production categories will enjoy noticeable growth as a result of the project: sugarcane and sugar-beet refining, truck gardening, and dairy product production.

Other activity sectors, such as the fertilizer industry, the farm chemical industry, and agricultural machinery and equipment repair shops will benefit from project construction and operation.

Total related benefits are estimated at 1,500 million dirham during project construction and 770 million dirham per year during project operation.

Social Impact

From the employment standpoint, the project's primary effect will be to modify the current tendency towards rural exodus and unemployment by keeping farmers, who will have more work, on the land and by creating new, employment-generating sectors.

Job possibilities in agriculture will double. The project will eventually create 30,000 to 40,000 jobs directly linked to intensified cultivation of the areas in question.

The project will also create 10,000 jobs in other sectors of the domestic economy, including jobs created during project construction.

Lastly, compared to already active areas, such as the Beht, towns and villages in the region will experience considerable development in the creation of related jobs (trade, services, etc.).

Thus, the integrated M'jara project is economically viable. Its internal profitability rate exceeds 15 percent, and its net value actualized at 12 percent exceeds 1,400 million dirham.

Revenue generated by the project can be broken down as follows:

- Agricultural earnings—34 percent.
- Project-related earnings, upstream and downstream—36.4 percent.
- Energy margin—17.2 percent.
- Damage avoided by flood prevention—12.4 percent.

The project will stimulate economic activity in directly related upstream and downstream sectors, whose earnings represent 40 percent of the internal profitability rate.

For a 12-percent actualization, foreign currency earnings will exceed foreign currency costs by 14 percent—4,370 and 3,780 million dirham respectively.

Lastly, the project will have a positive impact on the balance of payments with an actualized net value of 530 million dirham.

SUDAN

Government Hopes for 'Phased Dependence' on Arab Aid

45040444b London AL-HAWADITH
in Arabic 14-22 Jul 89 p 22

[Article: "New Phase in Sudanese National Salvation Council Action"]

[Excerpts] [Passage omitted] The important question here is, what are the characteristics of the next stage of the national salvation revolution following the surrender of al-Sadiq al-Mahdi and the unlikelihood of armed resistance by his military militias?

It is evident that that stage got under way with an effective political initiative by National Salvation Revolutionary Council members through successful political contacts with Egyptian President Husni Mubarak and the exchange of envoys between Cairo and Khartoum. These members have also undertaken similar moves with Saudi Arabia and Libya, and it is obvious now that a new era has begun with the eight neighbors and special relations have been forged with Cairo, Riyadh, and Tripoli.

Observers have talked openly about massive contacts made between the leader of the salvation revolution and President Mubarak from the first night of the military coup on 30 June. And although telecommunications were cut in Khartoum, contacts were made in the first two days through the Egyptian embassy in Khartoum. It was also apparent that the Middle East News Agency assumed the key role of carrying details of the coup and the vision of its engineers about Sudan's relations with the outside world through a continuous flow of bulletins transmitted by the Egyptian agency to all parts of the world. It was rumoured that Egypt dispatched envoys to the Garang Movement, Ethiopia, and Kenya to arrange for an urgent meeting between the Garang Movement and the new coup leadership. President Mubarak conferred on the telephone with a number of Arab leaders who thereafter announced their support for the coup, describing it as an "internal affair." [passage omitted]

The new leaders undoubtedly will direct their attention and primary concern to fostering relations with Arab brothers and African neighbors with a view to settling the problem of the south and resolving the situation there, for it is the real gateway to stability and growth in Sudan.

Observers maintain that Cairo will be a strong pillar for the new leadership with regard to the question of the south in peace or war, that Cairo maintains strong African relations, and that President Mubarak will be unanimously nominated to be the head of the OAU in the next session. It is believed that President Mubarak will introduce General al-Bashir to the African leaders in the next African summit just as Indian Prime Minister Jawahar Lal Nehru did with the late Egyptian President

Jamal 'Abd-al-Nasir at the Bandung conference, and thereupon significant political steps were taken in the world with the birth of the nonaligned bloc and the declaration of the world political doctrine (positive neutrality). [passage omitted]

Right now, Sudan hopes to live through a period of phased dependence with Arab financial and economic backing to help turn the wheels of economic growth, stimulate the markets, and encourage Arab investments by providing a new security and economic climate—in addition to undertaking urgent measures to guide government spending, which the new leaders have begun by cutting their salaries to bring them to the same level as other wages.

Capital Commissioner Discusses Prices, Possible Census

45040444a Khartoum AL-QUWWAT AL-MUSALLAHAH in Arabic 19 Jul 89 p 4

[Interview with Staff Brigadier General Muhammad 'Uthman Sa'id, national capital commissioner, by 'Abd-al-Rahman Halawi: "Deterrent Penalties Against Hoarding, Store Closing"; first two paragraphs are AL-QUWWAT AL-MUSALLAHAH introduction; date and place not given]

[Text] Staff Brigadier General Muhammad 'Uthman Sa'id, national capital commissioner, issued an order calling for lifting the ban on selling reported commodities provided that they are sold at fixed prices in accordance with the following precepts: First, importers must obtain approval from the director of the city hall operations room to sell to wholesalers; second, wholesalers must sell to retailers directly and must keep a record showing the retailer's name, license number, location, and amount sold; third, wholesalers shall submit daily a copy of said record to the city hall operations room; and fourth, retailers must post a list of valid prices in a prominent place in their stores.

Elsewhere in this edition, readers can find a price list of reported commodities available in warehouses. The fixed prices of locally manufactured commodities, or goods imported subsequent to the reported commodity announcement, will be reconsidered. In light of the capital commissioner's order pertaining to planned price-fixing and precepts, AL-QUWWAT AL-MUSALLAHAH met with his excellency who talked about this subject at length and about the transportation crisis and the district's census plan. Following is the interview:

Lifting Commodity Ban

His Excellency Staff Brig Gen Muhammad Sa'id began his talk about lifting the reported commodity ban and fixing commodity prices by saying: "With regard to commodities for which we have set prices, we felt that these are the necessary commodities the citizens urgently need at the present time to meet their daily demands for

oil, soap, and other goods. We explained in the announcement that these prices applied to reported commodities, now available on the market, that were stored in warehouses." His excellency went on to say: "We have held meetings with the capital's wholesalers who have commendably accepted the exchange rate of 11.60 Sudanese pounds to the dollar even though they had bought the dollar at higher rates. Following a long meeting we agreed on the prices we have announced.

"To those who claim that they have been hurt by these prices, we say that these prices were set on the basis of careful study and we have no intention of backing down. Prices will be reviewed when the present supplies run out and we have laid down rules that will guarantee consumer access to such goods."

Store Closings

"Regarding merchants who have closed their stores, such actions make them subject to punishment by law and, therefore, the prices have been set to keep the market under control. Widespread market anarchy has got to stop.

"In this connection, we will have large-scale inspection campaigns of all stores and will punish all those who are hoarding commodities and those who have closed their stores. We are in the process of setting up price and public order courts that will assume their duties in the next few days. Moreover, market discipline will not be complete without public oversight and we are now working toward the creation of such committees. We ask the citizens to exercise their right of oversight and assist in price control.

"Regarding cement, we have decided, in the interest of greater discipline, to give council administrative bodies the power of certification upon submission of necessary documentation in order to assure delivery to the right people and not to brokers, middlemen, and black market dealers."

Easing Capital Transportation Crisis

About easing the capital's transportation crisis, His Excellency Brig Gen Muhammad Sa'id said: "Thank God, the National Company has received 25 new buses. The main credit goes to Brigadier General Muhammad al-Radi Nasr-al-Din, military governor of the Red Sea District, and to customs, Port Sudan harbor and railroad authorities, for the expeditious clearing and shipping of these buses despite certain delays. The National Company representative said: "His excellency the brigadier general adopted a decision to expedite the licensing of these buses to allow them to go into operation at the earliest possible opportunity. In this connection, company representatives came yesterday to say that they will assign these buses to the eligible parties. Furthermore, police Major General al-Tayyib Bukhari issued instructions to form an expeditious licensing team, and I believe that the matter will not take more than the appointed time."

Capital Census

About the capital's census plan submitted by Dr Nasr-al-Din Badawi, associate professor at Umm al-Qurra University in Saudi Arabia, to the capital's commissioner, his excellency said: "Dr Nasr-al-Din Badawi put forth a proposal to hold a census for the national capital using neighborhood employers, students, and residents to carry out the process, and taking advantage of the curfew to guarantee people's presence at home when the census is being taken. We, on our part, are satisfied that this process is feasible, particularly that it will be completed with self-help and at low cost. This kind of process is followed in Egypt.

"Regarding the plan's practical measures, there will be an oversight committee and media campaigns to raise people's consciousness and to explain the idea. Official efforts by administrative officers will also be tapped to bring volunteers together to explain to them what needs to be done. Expenses will be incurred, but it is worth it.

"A national capital census will be of great help to us in adopting appropriate decisions concerning transportation, provisions, housing, etc."

We wish the commissioner success in his difficult task and hope that the capital will regain its familiar face and the people will be able to get what they need without any problems.

Article Analyzes Government's Attitude Toward Media

45040445 Khartoum AL-QUWWAT AL-MUSALLAH in Arabic 19 Jul 89 p 6

[Article by 'Umar Muhammad al-Hajj: "Will Salvation Include Old Media Course?"]

[Text] Our country has lived through the third democratic phase during which the parties applied the same systems of rule that have brought about democracy's early demise. The same media course followed in the parties' era was also followed by the first and second military governments.

This old course was followed by Arab policy in dealing with national issues at the local and global levels. It is the course that rejects dialogue and adopts rhetoric, sloganeering, and crowd rousing as a means to persuade people of the ruling regime's sound philosophy, raising it to the level of unquestioning faith. In the interest of this faith, the media deals with all crucial issues with great enthusiasm, in the midst of which writers forget many facts and commit, wittingly or unwittingly, the same old mistakes that keep reoccurring.

Opposite this media course is another course based on the principle of rejection and distrust. It uses every scientific means to weigh the bare facts with the logic of figures and profit and loss calculations.

Whereas the latter course relies on science and logic, the one the Sudanese mass media use relies on passionate faith in the indubitable right.

This course leads its proponents to raise this right to the level of sacred supernatural truths, something that is most apparent when an ideological disagreement over a basic issue important to the country occurs. Let us take as an example the issue of freedom. It is a basic issue which is a constant topic of discussion even in the most civilized and liberated countries in the world. For the issue of freedom is related to many matters in political, societal, and economic action, and when discussion is centered around it and around the need to criticize and to call to account, the debate turns into accusation, blatant hostility and positions governed by emotions. From time to time, a call to disrupt the self-criticism process arises out of a fear of triggering a debate and a reexamination of failed positions and weak positions that cannot withstand the winds of change in a country with an everchanging climate.

Skeptics raise doubts because of their fear of criticism. Such fear on the part of certain individuals in the media department is triggered either by personal interest or by a desire to defend the regime, rightly or wrongly. This fear is built not so much on logic and thought as on uncontrolled and unquestionable passion leading to a faith bordering on the worship of paganism whose gods demand human sacrifices to grant remission to their believers.

A look at modern Arab history shows that victims tried for treason face the same charge every time they declare a contrary opinion or hold their tongue outside the country. This belief in the sacredness of regimes and the sacredness of thoughtless and reckless fervor for sloganeering have prompted many political regimes in the past to spend much time prosecuting, displacing, and banishing a large number of the intelligentsia who are most needed to take part in the development process, in the defense of the Arab and Islamic Nation, and to champion causes of freedom and independence everywhere.

Because of this passionate, unintellectual feeling, Arab masses used to revolt and the Arab countries used to be divided among themselves, creating hostilities atop hostilities among the one nation and the one homeland.

The Arab and Islamic nation has sustained great human and material losses brought about by divisions and violent relations that have long hurt the Arab countries. Sudan was among those who has lost a great deal because of such backward mass media and communication methods.

Sudan and World Public Opinion

Our country has been influenced by Arab revolutionary regimes, and we have taken many a stumbling step under their slogans. Many political conditions have changed, and our media course should have changed accordingly to give a clear, faithful, and logical reflection of the

actual reality, in order to enhance the genuine Sudanese character and the values on which our civilization is built. But it seems that our mass media organizations are still dominated by the old media course. We find passionate enthusiasm in news reporting, commentary, and political analysis styles, and overstatement remains the prevalent language in reviewing accomplishments. The same method has been used by the Arab media and because of it they lost world public opinion in the first cause that united the Arab Nation following WW II. The Palestinian question was the hard test facing the Arab media and the Arabs used this emotional style in presenting the Palestinian issue. Their strong belief in the Arab right was a personal faith that roused their fervor and they were swept by enthusiasm, shouting, and sloganeering. It was with the same enthusiasm that they declared their adherence to Arab nationalism to stand in the face of the Zionist call, at a time when western and eastern countries resented any call for racial nationalism which has been resisted in Germany, Italy, and Japan, and Russia and America agreed to support the establishment of Israel. Ever since 1947, the Arabs have totally failed to achieve a media victory in persuading the world of the Arab right and of the fact that they, the Arabs, are the advocates of human civilization, thought and principles. Just as they have failed to achieve a military victory, they have completely failed in the media field at a time when the Jews have been able to convince the world of their false claims via thousands of books, magazines, and various sophisticated mass media organizations that are still adopting their cause. If we can imagine what has been published in thousands of books, magazines, and newspapers following WW II to refute the idea of nationalism and racism and the way it is perceived in the West, we can well understand the world position toward the Arabs. Let us ask ourselves, what is the systematic plan to correct the western nations' concepts mental impressions of the Arab peoples?

This is the challenge facing the Arab nation as a whole and every state individually—to assert its civilizational presence in the international community.

Because of policy of blunders and an old media course based not on the bare facts but rather on lies, Sudan has been isolated informationally and, therefore, a course of truth, sincerity, loyalty, and impartiality in the policy of the a newborn regime, a regime that has been matured and seasoned by past experiences, can effect a marked change in our Sudanese media.

Salvation Revolution...and Freedom

Revolutionary regimes in the Arab world have claimed that they have attained economic freedom for their peoples by realizing the socialist system of economic freedom which is the overriding concern of developing nations. This claim is refuted by the Arab reality with all its contradictions. It seems that by failing to give the various sectors of society a chance to live in peace and stability, the focus on the economic aspect has not

fulfilled the true meaning of freedom, as the revolutionary regimes have claimed in the past.

Looking at the regional problems in the south and north of Sudan, for example, and at the constitutional developments that have produced a democratic system of rule, we find that much needs to be done, particularly in the field of people's basic rights. The revolutionary reality does not give a clear vision of these basic rights, for the revolutionary concept in past military experiences lacked the kind of legislation that defines the direction in which the regime is going—all the constitutional forms, systems, and bylaws notwithstanding. The revolutionary regime's domination of all these systems and organizations generates a continual feeling of indecision and places the media organizations in a defensive position that presumes the presence of a counterrevolution inside and outside the country, working hard to strip the regime of its legitimacy.

These organizations employ all their energies in the defense of this position and, therefore, are incapable of creating, building, discussing, and convincing others through the language of figures and bare facts. In the face of the assumption that enemies are lurking everywhere, there is little chance to attain the meaning of freedom that allows the media organizations to follow the correct line and to open doors for free and candid opinion and honest criticism.

So long as this climate of tension, intimidation, and fear of a coming enemy dominates the media mentality, the chance for a dialogue is slim if not altogether nonexistent, and I do not think that any medium living through this reality at home is capable of playing an effective role inside our outside the country.

Unfortunately, this is the course the mass media follow even in the age of democratic rule. Therefore, the salvation revolution has to create a new course compatible with the genuine revolutionary spirit because it is a revolution that has sprung from the heart of Sudan and not by foreign direction, as was the case with past military coups and errant partisan policy.

The revolution has opened the door of dialogue even with the lawless rebels. Closing the door to renewed dialogue on crucial issues means a rejection of the language of the age which calls for the creation of a new form of dialogue and understanding, settling disputes, and working towards the establishment of peace and security. Judging by its announcements, we believe that the salvation revolution will follow a sound media course distinguished by logic, reason, and careful balance. History has dropped the media's sensationalism, emotion, and temporary passion out of memory and only the voices of modern science, authenticity, and renewal have survived. So, can the media understand these facts now that they are living through a new age unlike any other that came before it?

UNITED ARAB EMIRATES

Central Bank Head Interviewed on Effects of 1992 EEC Unification

44040524 *Dubayy AL-BAYAN in Arabic* 2 Jul 89 p 3

[Interview with 'Abd-al-Malik al-Hamar by Ahmad Muhsin: "Unified Europe" Expected to Have Positive Impact on UAE Economy and Cooperation"; first five paragraphs are introduction; date and place not specified]

[Excerpts] His Excellency 'Abd-al-Malik al-Hamar, governor of the Central Bank, expects the unification of the European Market in 1992 and the anticipated subsequent boom in the European economy to lead to a higher demand for oil and oil derivatives and to a possible rise in the value and volume of UAE [United Arab Emirates] exports.

In a special interview with AL-BAYAN, he stated that the anticipated economic boom in a Europe unified in 1992 may translate into lower costs for material, financial, and consultative services and goods the UAE imports from European markets. This is in addition to a possible drop in inflation rates within the UAE, simplified monetary policy procedures, and an increase in trade exchanges with the unified market due to potential new opportunities for promoting such an exchange.

The Central Bank governor emphasized that local banks must consider the kind of impact a unified European market could have on their competitive ability and must also look into the application of the criteria set in the Basel Agreement.

Al-Hamar explained that application of the principle of reciprocity by the unified European countries will have a greater impact on GCC [Gulf Corporation Council] countries than on the UAE, especially those that do not allow foreign banks to set up branches in them.

He supported the idea of conducting a comprehensive study on the effects a unified market will have on Arab countries, pointing out the importance of President Mubarak's suggestion in the recent Arab summit in Rabat to undertake collective action in this regard. Following is the text of the interview:

[AL-BAYAN] What are the main features of the economic and banking developments that are expected to take place in a unified Europe after 1992?

[Al-Hamar] To begin with, it is important to realize that a "unified Europe" essentially means the emergence of a formidable economic bloc in the international arena. Twelve European countries—West Germany, France, Italy, Spain, Denmark, Belgium, Holland, Ireland, Greece, Portugal, and Luxemburg—have agreed, under the 1986 European law, to create a barrier-free zone where goods, persons, services, and capital are allowed to move freely with a view to creating a unified market where all these countries can unite in one economic bloc. [passage omitted]

What concerns non-EEC countries, however, is the European decision to adopt the principle of reciprocity. According to this principle, any bank outside the EEC-member countries wishing to operate in a member country must obtain a permit from that country where local oversight authorities will study the request and report their findings to other member countries.

Hence, granting a permit to any foreign bank will be contingent on the approval of the remaining members. Should a member country express its objection to the permit request by invoking the principle of "reciprocity," the request will be referred to the Market Commission which will then negotiate with the bank's parent country to allow EEC banks to operate in that country under the same terms.

On another plane, EEC companies have been caught up in the merger and acquisition fever with a view to creating large, strong, and highly efficient companies able not only to take advantage of the large market to be formed, but also to compete on the domestic and international levels.

[AL-BAYAN] What kind of impact is a unified European market expected to have on the UAE economy and on its banking system in particular?

[Al-Hamar] With possible delays arising from the need to obtain local political authorities's approval of measures taken, the impact of a unified market is expected to manifest itself, as follows.

The market's unified economy will grow and prosper at higher rates. As far as the UAE is concerned, such an economic boom may mean the following:

- Greater demand for oil and oil derivatives, so long as exported oil remains the main source of energy, and a consequent possible rise in the value and volume of UAE exports.
- Lower cost for commodities imported from the EEC market, because a higher output efficiency and stiffer domestic competition will be reflected in lower production costs.
- Lower costs of imported services in all their various forms (fiscal, consultative, etc.) coupled with improved quality.
- Lower rates of inflation in the UAE due to anticipated lower prices for imported goods and services in view of the fact that the foreign sector will gain greater importance in the UAE's GNP [gross national product].
- Greater trade exchanges with the unified market in view of potential new opportunities to promote this exchange.

We must emphasize here, however, that local UAE banks ought to study the impact a unified European market will have on their competitive ability, because today's monetary and financial markets are gigantic, and

the larger and more efficient the institutions operating in them are, the greater their ability to compete and consequently to survive.

Local banks ought to study the application of criteria set in the Basel Agreement, keeping in mind that a technical committee made up of Central Bank and banking representatives has been created to study changes introduced to its articles.

[AL-BAYAN] What impact is the Europe of 1992 expected to have on GCC economies and banking conditions?

[Al-Hamar] The impact will be very much similar to the effect on the UAE. Application of the principle of reciprocity, however, will have a greater impact on certain GCC countries that do not permit foreign banks to set up branches in them.

[AL-BAYAN] What possible impact is it expected to have on joint banks operating abroad and Gulf bank branches in Europe in particular?

[Al-Hamar] Joint banks established in EEC member countries will continue to operate as locally established banks. Naturally, they will have to adjust to the new requirements, those stipulated in the Basel Agreement in particular. This may force them to increase their capital through new stock issues or greater contributions by current owners. Whatever the case may be, each bank will have to study its own situation in light of the market's new developments.

As for Gulf banks operating in EEC member countries, they are expected to continue to operate in these countries, provided their activities do not go beyond the licensing country.

[AL-BAYAN] What unified measures might the competent GCC authorities take to protect their economies in the face of developments a post-1992 Europe will witness?

[Al-Hamar] Any action must be preceded by a complete study conducted by all competent authorities. It may be preferable, to save time and effort, to form a technical committee answerable to the GCC secretariat, to conduct the required study within a specific time frame, and propose suitable recommendations.

[AL-BAYAN] Is it possible to take universal Arab steps in this regard?

[Al-Hamar] The Arab League's Economic Unity Council can undertake a comprehensive study to illustrate the repercussions a unified market can have on the Arab countries as a whole and perhaps on each country separately, whereupon an agreement may be reached on what to do about it. It must be pointed out here that during the recent Arab summit in Rabat, President Mubarak called attention to the need to undertake relevant collective action. This, to be sure, is a national responsibility, keeping in mind that the Arab market as a whole constitutes a considerable force and maintains close ties with the EEC.

AFGHANISTAN

Kabul Security Measures Expanded

46000173 Karachi DAWN in English 16 Aug 89 p 12

[Text] Kabul, Aug 15—The Afghan Government said on Monday the three-ring security belt around Kabul was being expanded in the face of reports that Mujahideen had been supplied with new longer-range rockets.

"Since it is assumed that the opposition is going to be equipped with new long-range rockets, security forces have begun expanding the belt from 30 to 60 kilometres (18 to 37 miles)," Government spokesman Mohammad Nabi Amani said.

Last month the United States said it was providing the Mujahideen with new sophisticated weapons to counteract what it described as the channelling of "unprecedented" levels of military supplies to Kabul by the Soviet Union.

The announcement said the weapons would include those capable of damaging airfields in an attempt to blunt the power of the Afghan Air Force.

Mr Amani said the expansion of the security perimeter would depend on the terrain, and that in some areas it would reach up to 40 kilometres (25 miles) and in other 60 kilometres (37 miles).—AFP

INDIA

Developments, Reshuffled Appointments in Congress-I

46001620 Calcutta THE STATESMAN
in English 12 Jul 89 p 7

[Article: "P.M. Reallocates AICC (I) Portfolios"]

[Text] New Delhi, July 11—The Congress (I) general secretary, Mr K. N. Singh, has lost charge of Tamil Nadu and Karnataka following reallocation of portfolios of AICC (I) [All India Congress Committee-I] general secretaries by the party president, Mr Rajiv Gandhi, reports UNI.

Announcing the reallocation today, the party general secretary, Mr V. N. Gadgil, said Tamil Nadu and Pondicherry had been assigned to Mr A. R. Mallu in addition to the States he already had. The other general secretary, Mr Ghulam Nabi Azad, has been given charge of Karnataka in addition to his other responsibilities, Mr Gadgil said.

Under the new reallocation, Mr Singh keeps with him Andhra Pradesh, Jammu and Kashmir, Kerala and Lakshadweep. Mr Gadgil said because of his poor health, Mr K. N. Singh had been given fewer responsibilities.

Our Special Representative in Delhi writes: The Congress (I) High Command has formed a five-member

group to formulate a suitable strategy for the party for the coming Lok Sabha elections expected to be held at the end of this year.

The members of the group, according to a party source, are Mr Shiv Shankar, Union Minister for Human Resources and Development, Mr Buta Singh, Union Home Minister, Mr Arjun Singh, Mr Darbara Singh and Mrs M. Chandrashekhar.

The group, it is stated, has produced a brief on the national political scene and the party's approach to it. The paper was discussed at an informal meeting of the Congress (I) Parliamentary Board on Saturday last.

The preliminary brief, it is said, has noted a marked improvement in the Congress (I)'s prospects at the poll in the southern region. It was felt by the Parliamentary Board's informal meeting that concerted efforts would have to be made to make the party's campaign effective in the Hindi-belt in the northern region.

Mrs Rajendra Kumari Bajpai, Union Minister of State for Welfare and Mr P. Chidambaram, Minister of State for Home and Personnel, said today in a joint statement that they were "deeply distressed" to read a report "that Mr A. Mazumdar, a West Bengal MLA, has made a complaint to the West Bengal Pradesh Congress (I) Committee" (against Mr Chidambaram).

They said: "We had convened a meeting in Calcutta on June 30 of officials of the Ministries and departments. When Mr Mazumdar's presence was noticed at the meeting both of us requested him to 'kindly wait in the visitors' room' and to meet us later. He was treated with utmost courtesy and politeness.

"Later, he met one of us, at Raj Bhavan at 3:30 p.m. and spent half an hour, discussing various matters with us", they said.

The joint statement is a rejoinder to the reports appearing in newspapers, saying Mr Chidambaram had "misbehaved" with Mr Mazumdar. Official sources say that the meeting was in connection with the special drive for recruitment of Scheduled Castes/Scheduled Tribes members to Government posts. Mr Mazumdar had contended that he had been asked to come to the meeting by Mrs Bajpai.

Newsman Interview Ambassadors to U.S., Soviet Union

Outgoing Ambassador to U.S.

46001621 Calcutta THE TELEGRAPH
in English 1 Aug 89 p 6

[Article by P.K. Kaul: "There Has Been No Downswing in Relations"]

[Text] Ambassador Pratap Kishen Kaul leaves Washington apparently a satisfied diplomat, having occupied a coveted post during years of heightened activity

between the two nations. He has been an actor in the high drama of increased technology transfer, two visits by Prime Minister Rajiv Gandhi to the United States and has generally presided over the "upswing" phase of bilateral relations. But Mr Kaul's last days in Washington were marked by increased India-bashing on Capitol Hill, denial of a major missile testing device and general anti-India rhetoric in the US. But he does not like to dwell on the negative side of the relationship, emphasising instead the long-term aspects, and continuity.

[THE TELEGRAPH] What was your personal agenda for the Indo-US in 1986? And do you think you have achieved most of it?

[Kaul] The agenda had to focus on a programme for improving the bilateral relationship. That was the first priority. I didn't look upon it as a limited idea but as something more meaningful and divergent. To cover as wide a range as possible, involving more people. To create new opportunities, to increase the scope, level and frequency of activities.

We have had very good discussions at a political level—free, frank and candid. It is more in the nature of sharing the perspective as seen by two countries on bilateral and international issues—from South Africa to Afghanistan.

[THE TELEGRAPH] Talking about the United Nations—there is a feeling among many Congressmen that India always votes against the United States. Is there some truth to that? Is it a question of perspective or statistics?

[Kaul] It is designing data to suit their purpose. It is an unfair collection of statistics and does not represent the true state of affairs. We have also prepared statistics and our voting compatibility is much more on our list. They (the US Congressmen) pick up ten items and decide who is their friend or foe. A lot of them are consensus issues where everyone agrees. How do you expect a democracy to agree on all the issues.

They should compare the voting record of countries who are beneficiaries of US largesse with that of India. There is hardly any difference.

[THE TELEGRAPH] You mean Pakistan?

[Kaul] I don't want to name any country. But you know who are the largest recipients of US aid. Egypt and Pakistan, among others. Congressman Solarz once suggested that US aid should be cut every time there was an anti-US vote in the United Nations but none agreed.

[THE TELEGRAPH] Can you comment on the recent refusal by the United States to give India the CAVCTS device for testing missiles? The United States also did not give India the Harpoons: Does it, along with other developments, mean something more?

[Kaul] Defence cooperation is a new area with the United States. It is not correct to take one or two items

that have not been cleared. They can't be cleared overnight. We have to create the proper environment first. We did not buy the CAVCTS in 1985. We are not on a buying mission anyway.

There is cooperation in many other areas. Clearance has been given for a variety of items in the LCA [Light Combat Aircraft] programme. There has been exchange of visits at the level of chiefs of staff. There have been two visits by US secretaries of defence. Then Mr K.C. Pant came to Washington and that set in motion opportunity for a dialogue for better understanding at a high level.

[THE TELEGRAPH] What do you think of the recent vote on India on cutting development aid in the House of Representatives which came very close. It was 212 to 204. Is there cause for concern?

[Kaul] It is a matter of concern when as many as 204 Congressmen vote against India. A large number from the Republican party voted against us. The rank and file of the Republican party will need to be addressed. But the leadership of both the parties by and large voted in favour of India. Our efforts to make our position known will have to continue.

Apprehensions will be confirmed if this happens again. But if it doesn't, then it can be regarded as an isolated case. There is much more interaction between the embassy staff and congressional aides. The strength of the embassy staff for the job has been increased. We need to continue to make the effort.

[THE TELEGRAPH] The Khalistani lobby has been active on Capitol Hill. The attention given to the human rights situation in Punjab is mainly due to their efforts. Any comments?

[Kaul] It is obvious that they are focussing their attention on the Hill. But I don't want to comment on it. There may be constituency pressures on some Congressmen. It is not for me to talk about that.

[THE TELEGRAPH] There have been several developments this year that can be called anti-India—naming of India on the Super 301 list, denial of some defence technology, the criticism of the Agni launch, criticism of the Nepal situation. Do you think these represent the downswing in the pendulum of Indo-US relations?

[Kaul] This does not represent a downswing. They would be better described as hiccoughs. There was some reaction against the Agni launch. But it cannot be interpreted as a sign of anything drastic. Some events have taken place recently but they may be coincidental. They should not worry or scare the people.

President Bush and the Prime Minister met in Paris recently for half-an-hour. They have had three telephone conversations. The key people in the US administration are still getting into place. There is some churning still.

[THE TELEGRAPH] What about trade and commerce?

[Kaul] Trade increased to 5.7 billion dollars last year from 4.2 billion dollars. It shows a forward movement in this area. Twenty percent of new collaborations signed each year have been with US parties. Collaboration between Indian scientists and their American counterparts has increased. The science and technology initiative has been extended up to 1991.

[THE TELEGRAPH] You have been very active in travelling through the United States meeting various Indian American leaders—more so than some other ambassadors. How can this community become a major political voice here?

[Kaul] The Indian American community will hit the one million mark soon. When they are in such large numbers and doing well economically, it is necessary they organise themselves on a national level to solve the problems they face. Education for their children in good schools, the problem of medical graduates, the census procedures and local ethnic tensions as we saw in New Jersey. There is a greater recognition of this need among Indian Americans now. They have to sort it out among themselves.

They are one group of people frequently visiting India and they have the opportunity of seeing things themselves. They have better knowledge of the social and economic conditions in India. They can better explain the real nature of conditions to the Americans and remove the misconceptions. Generally there is not enough information available about India. Most of the reporting is event-related and there is not much on general progress. They can dispel wrong notions about India more effectively.

New Envoy to U.S.

46001621 Calcutta THE TELEGRAPH
in English 30 Jul 89 p 10

[Article by Karan Singh: "My Basic Tasks Is To Remove Misconceptions About India Existing in the US"]

[Text] [THE TELEGRAPH] You will be taking up your assignment as Indian's ambassador to the US at a very crucial time in Indo-US relations. How do you plan to tackle this important task?

[Singh] I have been receiving a lot of suggestions on the subject and also briefings. But I have to actually get there to decide what should be done. It's a different thing to be briefed from a thousand miles away and to actually get there and study the situation.

[THE TELEGRAPH] What do you think is the most important task before you?

[Singh] I have to get down to the job very quickly. Basically, the task is—that is, the negative task is—the removal of the misconceptions about India that exist in some sections of opinion in the United States. The positive tasks is that all the collaborative elements which already exist between the two countries in the field of

trade, commerce and industry and cultural and intellectual exchanges should be strengthened. I should be working, hopefully, on both.

[THE TELEGRAPH] In recent days there have been two kinds of signals coming from Washington: there is a degree of warmth in the exchanges with the Bush administration while strong anti-Indian sentiments have been expressed in the US Senate.

[Singh] Yes, the recent Congressional vote (on the India aid Bill) was deeply disturbing. It simply means that America is a pluralistic society and one has to work on many levels. There is the administration, the US Congress, the intellectual community which is not a monolithic community and has a considerable influence on American policy, the trade and industrial community, the Indian community. All these elements have to be approached in different ways.

This is a complex and exciting task. I think of it as a great challenge because it is not a run-of-the-mill diplomatic appointment at all. It is actually a very specific assignment to deal with a very difficult situation though fundamentally there is a lot of goodwill for India.

[THE TELEGRAPH] Why do you think the pro-'Khalistan' elements have been able to project their case so forcefully as to influence important sections in the US?

[Singh] I really can't comment on that until I go there and find out. It surprised me also.

[THE TELEGRAPH] Does this reflect a failing on the part of our diplomats in the US?

[Singh] I don't know. It is really unfair to blame anyone in particular but certainly the result has not been very satisfactory. I would not like to comment on the conduct of diplomacy but the net result, especially in the US Congress, has not been positive. As you said, the Bush administration has shown warmth and there is a growing personal equation between President Bush and Prime Minister Rajiv Gandhi.

[THE TELEGRAPH] But there has been some muted criticism on the launching of Agni and India is also facing action under the US trade regulation, Super 301.

[Singh] Yes, it was rather muted on Agni but Super 301 was again invoked by the Congress. The Prime Minister and the foreign minister have said that it is unfair and illogical, particularly at a time when we are, in fact, moving towards liberalisation. It is an ironical situation. In the last four years since Prime Minister Rajiv Gandhi came to power, there has been greater liberalisation of the economy than probably in the last 40 years. Instead of encouraging that movement we suddenly get clobbered by Super 301. It is very unfortunate. And it really doesn't help to say that it was a sort of byproduct of the US-Japan problem and India and Brazil have been thrown in for good measure. That, in fact, if anything, makes it worse.

[THE TELEGRAPH] Right now there seems to be a need for more aggressive diplomacy.

[Singh] Well, more 'effective' should be the word. I prefer to use the word effective rather than aggressive. We will require a good deal of perspective thinking, maybe new approaches.

[THE TELEGRAPH] Do you think there has been any change in the Indian approach recently?

[Singh] I don't think there has been any particular change in the policy. But the very fact of my appointment as ambassador, I think, in a way is a signal. Apart from whatever be my competence for the job, the fact that the post has been upgraded to a Cabinet-level appointee should also be looked upon as a direct signal or gesture by the Prime Minister. That does say something.

[THE TELEGRAPH] There has been criticism about India's foreign policy with two of its neighbours, Nepal and Sri Lanka. With your close family ties with Nepal what are your views on the subject?

[Singh] It is unfortunate that there are problems with our smaller neighbours in the north and the south. I don't want to comment in detail either upon Nepal or Sri Lanka except to say that both of them are extremely unfortunate. Nobody's been happy the way the situation has developed, particularly with Sri Lanka and even with Nepal. One can only hope that there will be a better appreciation in these two governments of the advantages of having a good relationship with India.

[THE TELEGRAPH] Why do you think the situation with Nepal developed the way it has?

[Singh] It is difficult for me to comment on Nepal, but I would have thought it would be in Nepal's interest particularly to have good relations with India. Of the two, one would have thought Nepal has more at stake and, therefore, the process of talks and discussions would have been more effective than they have been so far. I am somewhat surprised a the way things have developed but let's hope for the best now.

[THE TELEGRAPH] There is a section of people in the country which believes that we have not paid enough attention to the sensibilities of small countries.

[Singh] That is an occupational hazard. Most large nations invariably get accused of a big-brother attitude. I don't think we have really done anything to warrant such an accusation. We went in to help the Sri Lankan government at its own request. Later everything got bogged down and we have been paying a very heavy price for that. But it is most desirable that both the issues are sorted out not only because of India's image but also because of the close ties with both the Tamils and the Nepalis.

More on P.K. Kaul

46001621 Calcutta THE TELEGRAPH
in English 7 Aug 89 p 5

[Article: "US Backs India's Role in S. Asia"]

[Text] New Delhi, Aug. 6 (PTI): The United States sees an "important and dominant role" for India in the south Asian region, according to Mr P.K. Kaul, till recently India's ambassador to Washington.

Mr Kaul, just back in New Delhi after completing his three-year ambassadorial tenure, told PTI, "There is growing recognition that India has an important and predominant role to play in this region."

India's help in suppressing the coup attempt in Maldives and the Indo-Sri Lanka accord on the ethnic issue was appreciated in Washington, Mr Kaul said in a wide-ranging interview.

Asked for his assessment of the current state of Indo-US ties, Mr Kaul described them as "mature," pointing out that a "very good rapport and understanding exists between the Prime Minister, Mr Rajiv Gandhi, and the US President, Mr George Bush." This needed to be "extended to lower levels of the two governments as well," he said.

"There is much better understanding of our positions, there is less animosity and the dialogues are more in the nature of free and frank exchanges of views as perceived by the two countries from their respective viewpoints without any element of being felt as confrontationist," Mr Kaul said.

He said each year the relations had developed and grown since the 1980s and potentials of further development were great.

Asked to list the irritants in India's relations with the US, Mr Kaul said the major one was the continued supply of high technology defence equipment to Pakistan by the US even after the Soviet withdrawal from Afghanistan.

Mr Kaul said New Delhi was also unhappy over the manner in which Pakistan's weapon-oriented nuclear programme has been allowed to grow.

The US suggestions about regional solutions for the nuclear proliferation problem tended to ignore several aspects, he said, adding that India was of the view that the problem called for a global solution and cannot be resolved on a regional basis.

Mr Kaul stressed that the matter needed to be pursued and hoped with the improvement in the Indo-Pak relations and introduction of a democratic system in Pakistan these matters might get resolved.

He said the Pakistan factor did operate as a "slightly negative aspect," but does not preclude progress in areas where the two countries can work together.

Replying to questions on Washington's concern about India's missile technology, particularly the testing of 'Agni', Mr Kaul said there was a need to have bilateral discussions on matters relating to proliferation of missile technology as well as chemical warfare.

In a reference to the American concern over exports of some chemicals by Indian companies which could be used for chemical warfare, Mr Kaul said the issue needed to be discussed further.

Outgoing Ambassador to USSR

46001621 New Delhi *PATRIOT* in English 1 Aug 89 p 7

[Article by Rajiv Shah: "No Stagnation in Soviet Foreign Policy: Kaul"]

[Text] Moscow, July 31—Mr T. N. Kaul, after completing his three hectic years as Indian Ambassador to the Soviet Union, left for home this evening by Air India flight.

Active even at the age of 76, he proposes to continue his public involvement through various organisations in India.

Talking to this correspondent before his departure, Mr Kaul said the Festival of India in the Soviet Union and the Soviet Union's in India were the "main events" during his three-year stay in Moscow as Ambassador. It brought about 'much greater mutual understanding between the two Governments and the two peoples'.

The level of cooperation between the two countries was never as high as now, and the "hesitation, doubt and suspicion" that one felt before had been replaced by almost complete trust", he said.

The only Ambassador in Moscow to maintain direct access to top Soviet leadership, Mr Kaul met President Gorbachev thrice, Premier Nikolai Ryzhkov thrice and Foreign Minister Eduard Shevardnadze many times over. Mr Kaul believes that the Soviet policy of deideologising inter-State relations had given both countries an opportunity to 'prove to the rest of the world that in spite of different ideologies and systems' countries can cooperate to the maximum benefit of their peoples.

At the same time, Mr Kaul said his three years' stay in Moscow during perhaps the most colourful periods of Soviet history, could not convince him that there was any phase of stagnation in Soviet foreign policy, more particularly towards India. "Do not go by this stagnation definition", he said.

"Whether or not the second half of the Brezhnev period was a period of stagnation is for the Soviet people to say. So far as India is concerned, I can say with confidence that Khrushchev and Brezhnev both followed a very friendly policy towards India."

He emphasised that the policy of the present Soviet leadership was a 'continuation' of the policy followed during the Khrushchev and Brezhnev periods.

Mr Kaul served his first term as Ambassador in Moscow from 1962 to 1966 when both the Soviet Union and India witnessed massive internal political changes. While Khrushchev was replaced by Brezhnev during this period, the Sino-Indian conflict and later Indo-Pak conflict brought the two countries' positions in world affairs even more closer than before.

Paying glowing tributes to Soviet leader Mikhail Gorbachev for his skill, ability and wisdom, Mr Kaul said the Soviet President reminded him in many ways of Pandit Nehru. When he talks to you, he looks you straight in the eye which creates a feeling of trust and confidence in the listener.

India, Iran Solve Dispute on Kudremukh Project

46001597 Bombay *THE TIMES OF INDIA*
in English 6 Aug 89 p 11

[Text] New Delhi, August 5—India and Iran have resolved their long-standing dispute over the Kudremukh iron ore project. An agreement was signed yesterday in Teheran between the two governments. The Indian government was represented by an official delegation led by the finance secretary, Mr Gopi Arora.

The settlement of the Kudremukh dispute is viewed here as a major breakthrough in Indo-Iran relations. Officials claim the agreement may lead to greater economic co-operation between the two countries. A lot of potential for bilateral economic interaction still lies untapped.

Mr Arora also called on the Iranian President, Mr Hashemi Rafsanjani, to hand over a letter from the Prime Minister, Mr Rajiv Gandhi. Mr Rafsanjani is believed to have sought greater co-operation with India during the meeting. He said the two countries had a role to play in resolving the Afghan crisis and in the non-aligned movement, which will hold its summit in Belgrade in September.

The dispute over the Kudremukh project was a fall-out of the Iranian revolution. The project was a part of the \$2-billion package, worked out by the Shah of Iran before his ouster, to bolster economic co-operation between India and Iran. Under an agreement signed in 1975, Iran was to give a credit of over \$500 million, and in return, receive supply of 150 million tonnes of ore for its Ahwaz steel plant.

The Shah was deposed when work on the project, located in Karnataka, was half-way through. Thereafter, difficulties arose about the draw of credit from Iran. An amount of \$250 million was received from Iran as loan; the remainder was not paid. After the Iran-Iraq war started, Iran did not lift ore as provided for in the contract.

Consequently, a dispute arose over who was not honouring the contract. Negotiations were held, the last time

in November 1988, but the issue remained unresolved. Both the countries went to the international court of arbitration. Lately, however, a new political will appears to have come up in the two countries for better bilateral ties.

Mr Arora was sent to Teheran early this week. After reaching an agreement on Kudremukh, he has returned to India and reported to the prime minister. Under the agreement, a payment schedule on the part of India has been worked out. Iran too has agreed to purchase a certain minimum quantity of ore in the next 15 years.

Lok Sabha Passes Constitution Amendment Bills

Self-Rule Institution Affected

46001596 Bombay *THE TIMES OF INDIA*
in English 11 Aug 89 p 1

[Text] New Delhi, Aug 10 (UNI & PTI)—The Lok Sabha today gave its approval to the two Constitution (amendment) bills for strengthening self-rule institutions in the rural and urban areas.

The Constitution amendment bill on panchayats was carried by 343 votes to one, and the other relating to nagarpalikas (urban local bodies) by 33 votes to nil.

The house adopted some official amendments of a technical nature and rejected the ones moved by the opposition members.

Though the bill relating to panchayat raj was numbered as the Constitution (64th amendment) bill and that on urban local bodies as the Constitution (65th amendment) bill, they were renumbered as Constitution (62d and 63d amendment) bills because the earlier amendment bills had not been passed.

The agriculture minister, Mr Bhajan Lal, replied to the debate on the panchayat bill and the urban development minister, Mrs Mohsina Kidwai, on the nagarpalika bill.

The two ministers reaffirmed the government's faith that the two measures would help strengthen democracy right from the grass-roots level and enable people to shape their own destinies.

The Prime Minister, Mr Rajiv Gandhi, moved both the bills for a final passage, amid lusty cheers from his partymen.

They also congratulated him after the bills were passed for the "momentous step." The poet member, Balkavi Bairagi, did it in verse.

The Janata party member, Mr Syed Shahabuddin, who was critical of certain aspects of the two bills, said before the panchayat bill was put to final vote, "My heart is with the spirit of the bill, but my head is against its letter."

It was not clear who was the lone member to vote against this bill electronically.

Mr Bhajan Lal said 29 items had been identified for execution by the panchayat samities.

He also disclosed that it has been left to the states, having a two million population or less, whether they wanted to implement this scheme in their respective states or not.

The agriculture minister said the Rs2,630 crores for rural employment under the Jawahar Rozgar Yojana would be executed through panchayats. This yojana aims at providing jobs to one member of each family in all villages. The first instalment of Rs1,000 crores had already been released, he said.

Mr Bhajan Lal said the bill would not be applicable to Jammu and Kashmir. In addition, the Centre had left the choice of implementing this system with the states where the population was two million or less.

Under the bill the collector could not arbitrarily dismiss a sarpanch without calling for explanations in case of any doubt of misappropriation earmarked for a particular panchayat, according to the agriculture minister.

Several ruling party members opposed this provision, saying it should be left to the elected representatives of the panchayats.

Mr Bhajan Lal also turned down the demand for the reservation of a chairman. "Under a democratic system, he has to be elected. If we agree to this demand (reservation) there may be similar demands later for chief ministers and the prime minister also."

Mr Bhajan Lal said the reports of the finance commissions for panchayats would go for scrutiny to the governor just as the CAG [Comptroller and Auditor General] reports were sent to the President.

He charged the opposition with misleading the people about the bill and explained its salient features.

When the agriculture minister was referring to some of the amendments suggested by Mr Shahabuddin, the opposition member stood up and pointed out that he had not yet moved his amendments. The copy with the minister was only a notice of his intention to move the amendments, he said.

Government Strategy Told

46001596 Bombay *THE TIMES OF INDIA*
in English 6 Aug 89 pp 1, 11

[Article by Arvind Das and Bharat Bhushan: "Government Strategy for Panchayati Bill"]

[Text] New Delhi, August 5—Anticipating the opposition assault on the panchayati raj bill (the 64th constitution amendment bill), the government has prepared a detailed response to the possible criticisms of the bill.

This brief has been circulated to a select group of MP [Member of Parliament]s so that Congress parliamentarians can defend the bill better.

For recalcitrant state governments who might be tempted to defy the Central legislation, the brief contains an ominous warning of the imposition of President's rule under article 356.

The main areas in which the government expects the bill to be attacked are: the bill violates Article 40 of the constitution by legislating on a state subject and is, therefore, an offence against the constitution; it thus seeks to weaken the states; the bill is an election gimmick; it prevents the involvement of MPs and MLAs in the panchayati raj institutions (PRIs); it does not provide any rationale for fixing the reservation for women at 30 percent and does not say why such reservation should not be provided at the level of state legislatures and Parliament; it does not provide for any reservation for the backward classes; and it provides for Central intervention through the election commission.

The major areas of anticipated attack on the bill and the government's responses are as follows:

Criticism: Article 40 of the constitution providing for the organisation of panchayats does not give powers to the Centre to legislate on the subject of local self-government. If the word 'state' in Article 12 of the constitution is taken to mean Centre and the states, then would the Central government accept states legislating on matters like defence which are on the Union list?

Response: Article 12 defines 'state' as including both the government and Parliament of India and the government and legislature of each of the states. Thus, the Centre and the states share the responsibility for the success of PRIs as Article 40 provides that the state shall take steps to organise village panchayats.

Criticism: This bill is an offence against the basic structure of the constitution. The constitution envisages India only as a union of states, while the bill promotes a district-level third-tier. The bill thus seeks to weaken the states.

Response: Quote from the Prime Minister's speech to the chief ministers' conference of May 5, 1989: "Democracy without panchayati raj is a negation of Mahatma Gandhi's dreams. Development without panchayati raj is a negation of Jawaharlal Nehru's vision.... Weak PRIs in the past have resulted in the people looking up to the bureaucracy for their well being. The bureaucracy may or may not be responsive, but it is certainly unrepresentative. The bill only gives a constitutional status to the PRIs. The bill provides for a three-tier structure since that was what was supported by a majority of delegates to the panchayati raj sammelans."

Criticism: Since the bill has far-reaching consequence, it should rightly have followed a mandate for it in the coming elections. It is unethical to push it through in such a hurry and it seems nothing more than an election gimmick.

Response: This amendment is not a new idea or election gimmick. Some aspects of the panchayati raj were discussed in the constituent assembly itself and it was also proposed by the Ashok Mehta committee in 1978. The Prime Minister has been talking about it since 1985, when he visited a large number of remote areas, and came to the conclusion that the administration must be made responsive. Consequently, a suitable amendment was made in the 20-point programme in 1986 and a process of dialogue was initiated with officials, non-officials and elected representatives in a series of sammelans attended by more than 10,000 delegates of PRIs.

Criticism: The bill does not provide the means to ensure that each of the states actually implements it.

Response: Once approved, the legislation will be binding on all the states. If any state government becomes adamant and perversely does not comply with the provisions of the enacted law, it will amount to the governance of a state not being carried out in accordance with the constitution. That being so, the President can exercise his powers under article 356 and assume the functions of the government in that state himself. However, since the bill represents the will of the people, such a situation is unlikely to occur.

Criticism: The bill is rigid in propagating a three-tier structure of panchayats at the village-level, district-level and at an intermediate-level between the village and the district. The two-tier provision is only for relatively small districts with a population of less than two million. This entire matter should have been left to the states.

Response: Historically, people in most parts of the country have gotten used to a three-tier structure. This is the structure recommended by the Balwant Rai Mehta committee and also endorsed by the panchayati raj sammelans. The figure of two million has been arrived at because districts with larger populations will indeed require a three-tier structure. Smaller states like Goa, Sikkim, Arunachal Pradesh, Nagaland, Mizoram, Manipur and Meghalaya can consider the two-tier option.

Criticism: Since MPs and MLA [Member of Legislative Assembly]s would have no voting powers in the PRIs, they would have no say in their decision-making process. Surely, they are as knowledgeable and interested in their areas as the members of the PRIs.

Response: The role of MPs and MLAs is primarily concerned with the legislative functions in Parliament and the state legislatures. But their knowledge of their areas will, however, be utilised as they will have advisory role in the PRIs. Their advice will be heeded if they have the confidence of the PRIs. Delegates at the panchayati raj sammelans did feel though that one of the reasons for these bodies languishing was the interference of MPs and MLAs.

Criticism: What is the rationale for 30 percent reservation for women? If there is reservation for them in PRIs

then why not in Parliament and state legislature also? Why is there no representation for the backward classes?

Response: The 30 percent reservation figure is based on the report of the perspective plan for women by 2000 A.D. It can certainly be extended to other elected bodies. The backward classes are not recognised in the constitution. Reservation should not normally exceed 50 percent of the total seats.

Criticism: The bill wants devolution of resources from the states. In fact, it should have provided for greater Central devolution of funds to the states. The zilla parishad would not be a creature of the state government. Transferring Jawahar Rozgar Yojana [JRY] funds to the panchayats arouses suspicions about the intentions of the Centre.

Response: The bill contains no provision to weaken the states or to treat the zilla parishad as independent of the state government. As for devolution of Central funds to the states, such representation can be made before the finance commission. The disbursement procedure for JRY funds is the same as that followed for IRDP [Integrated Rural Development Program] for the past nine years.

Criticism: The election commission's involvement in the superintendence, direction and control of preparation of electoral rolls and the conducting of panchayat elections is an unnecessary Central intervention.

Response: Elections are the essence of democracy. They must be free and fair. The election commission is a highly respected constitutional authority and its involvement has been highly recommended by thousands of elected representatives who came to the panchayati raj sammelans.

It is clear that the brunt of the government's case is provided by conclusions arrived at the panchayat sammelans organised by itself. In any case it is the threat of dismissal rather than persuasion that is expected to make state governments fall in line. In this respect at least, the whole exercise is reminiscent of the lines in "Alice in Wonderland": "I'll be judge, I'll be jury, said cunning Old Fury. I'll try the whole case, and condemn you to death."

Commentary Sees Continuing Centralization

46240053a Bombay NAVBHARAT TIMES
in Hindi 10 Jul 89 p 6

[Article by Surendra Mohan: "A Wish for Decentralization, the Habit of Centralization"]

[Text] During his recent state visit, the prime minister accused the Andhra Pradesh government, led by Ramarao, of cheating the aborigines by selling them rice received from the central government for Rs 1.80 per kilogram for Rs 2.00 per kilogram. Subsequently, the allegation was proved to be wrong. However, the prime minister did not quote the prices being charged in the

neighbouring aboriginal areas in the states of Madhya Pradesh and Maharashtra since that would have uncovered the truth. The declaration that the supply of rice will in the future be made directly to the village level panchayats [local self government units] was aimed at winning the hearts of the poor and weak masses.

The ability of the federal government to supply foodgrains to all the villages without relying on any help from the state government is at best doubtful in light of its prior record. In preparing for the next elections, Mr Gandhi is not talking about the performance of his government in the past but is consistently trying to win public approval based on his promises for the future. He has already promised to supply thousands of villages with potable water and electricity.

There seems to be no need for state governments and district councils if the federal government is going to take over the responsibility of providing drinking water, electricity, food grains, and whatever else is promised during the current electoral campaign. It should suffice to have one federal government and a host of panchayats. If this is decentralization, then what is the definition of centralization? The constitutional division of powers between the federal and state governments clearly placed civil supplies and local administration under the control of the states. Gradually, the federal government has been encroaching upon the states' powers. The recent 64th amendment, while purporting to be handing powers over to the panchayats, provides for dismissal without cause, and authorizes federal agencies to arrange elections for and audit the accounts of the panchayats. It would not be surprising at all if similar provisions are introduced for urban municipalities.

Frequent changes among chief ministers of congress controlled states and other functionaries of the party have been used to consolidate this tendency towards centralization. In the guise of decentralization and handing over power to the people centralization has been implemented repeatedly.

The proposed direct supply of food grains by the federal agencies is a recent example of centralization. Jawahar Rojgar Yojna (JRY), a federally planned employment generation scheme, has already been introduced. During the recent conference of municipalities, the prime minister stated that similar projects may be implemented at the municipal level also. Federally planned projects are designed and implemented in rigid conformity with federal guidelines. It is impossible for the state government or panchayats to make any changes in these planned projects. In comparison with these projects, the projects designed by states with assistance from the federal government are flexible enough to accommodate local differences and special needs.

The subcommittee established to oversee federally planned projects had recommended that:

1. Federal projects should be designed in consultation with state governments, and guidelines for their implementation should give due consideration to such input from the states.

2. New projects should not be implemented during an ongoing 5-year plan unless urgent, and in such cases all resources should be provided by the federal government.

3. In order to avoid delays, projects should be approved by state level committees with federal representatives on board.

It is clear that these guidelines were not followed while designing JRY. The states had no input in the design of the project and they are also being asked to provide one-fifth of the required resources. All the decisions were made at the federal level.

Comparing the degree of centralization among the two types of projects, it becomes clear that plans providing federal assistance to state projects promote decentralization much more effectively. Panchayats are being brought under the restrictive control of federal projects. Panchayats will be required to document the use of all resources used under the JRY and in addition get the district administration to certify in each case that all resources have been utilized in strict accordance with the plan. Before an installment of foodgrains is released to the panchayat, the district administration will have to verify lists of all employees and count bags in which food grains were sent. The schedule of rules governing the program runs to 250 pages.

Panchayats will be required to follow all federal rules and will have no ability to make changes according to local limitations, needs, or wishes of the people. Panchayats, while being called guardians of the people's power, will be subjected to a three-tier bureaucracy of the federal, state, and district administration.

The Sarkaria Commission recommended that federally planned projects should be confined to short term studies, data survey and tabulation, and gradually handed over to the states. JRY has no provision for meeting any of these criteria. In the absence of any permanent allocation of resources the panchayats will forever be seeking handouts from the federal government. The federal government has weakened the financial situation and power of the states considerably, and will subordinate the panchayats in the same manner. The panchayats are likely to end up far worse than the states as the federal government exercises its control over panchayat resources according to the rules laid down in federally designed projects and audits their accounts. As mentioned earlier, the panchayats can be summarily dismissed.

The federal government could have made a provision for allocation of a defined amount from the federal or the state governments to panchayats or alternatively allowed them to mobilize resources through usage fees levied on produce, forests, and ponds.

The prime minister, prior to introducing the legislation regarding panchayati raj [local self government] had praised the district administrators as engines of growth and progress. These laurels were handed out during zonal and state level functions. The state governments had protested this action as contributing towards centralization and weakening the federal structure of the union. Subsequently, the prime minister himself described the Indian Administrative Service as a dictatorship of bureaucracy during his address to the chief ministers' conference last May 5th. However, the same bureaucracy is being centralized and the panchayat raj organization is being subordinated to this dictatorship of bureaucracy.

Paper Reports Anti-India Stance of U.S. Congressmen

'Hostility' From Southerners

46001592 Calcutta THE TELEGRAPH
in English 22 Jul 89 p 3

[Article by Seema Sirohi]

[Text] Washington, July 21—An analysis of last month's vote on anti-India amendments in the House of Representatives shows a clear pattern where the leadership of both parties voted for India, but all Congressmen from the southern United States voted against India.

The vote, which jolted Indian diplomats here, came very close and was defeated only by a few hands. There were 212 votes against the anti-India amendments sponsored by Mr Willy Herger and 204 for the amendments which called for cutting aid to India by \$25 million because of its "human rights record."

Mr Stephen Solarz, Democrat from New York and an old India friend, led the battle against Mr Herger, who has recently been very vocal on the Punjab issue.

The pattern of vote in favour of India in the House leadership, which includes Congressmen who are on various committees and sub-committees, cut across party lines. One exception was Mr Newt Gingrich, a Republican from Georgia and member of the House administration committee.

Mr Gingrich accepts generous donations from Indian Americans in Georgia for election purposes by his own admission. But his loyalty does not extend to the House floor, according to observers. Mr Gingrich, who believes in no-holds-barred politics, was the mastermind in the political demise of Mr Jim Wright, former Speaker of the House.

An analysis of the voting pattern done by a senior embassy official here showed that the leaders of both the democratic and Republican parties voted in favour of India or against the Herger amendments.

These include Mr Richard Gephardt, Democratic majority leader, Mr William Gray, Democratic whip, Mr Steny Hoyer, member of the appropriations committee, Mr Dante Fascell, chairman of the committee on foreign affairs, and Mr Solarz, chairman of the sub-committee on Asian and Pacific affairs. There were other members of sub-committees and committees who voted against the amendments.

The same pattern could be seen on the Republican side with the House minority leader, Mr Roger Michel, voting for India. He was followed by Mr William Broomfield, ranking minority member of the foreign affairs committee, and Mr Silvio Conte, ranking member of the appropriations committee.

One explanation for the leadership voting for India could be that they are more responsible and better informed about foreign affairs. Another interesting fact to emerge from the vote was that three Congressmen who sponsored a resolution on Nepal, following the trade and transit crisis, also voted for India. They were Mr Richard Durbin, Democrat from Illinois, Mr Jim Leach, Republican from Iowa, and Ms Jolene Unsoeld, Democrat from Washington state.

Many Congressmen who had been flooded with literature from Mr Gurmit Singh Aulakh, president of the Council of Khalistan, who went ahead and voted against the amendments, which were primarily a result of Mr Aulakh's efforts. Ms Connie Morella, a Republican from Maryland, who has been wined and dined by Mr Aulakh did not oblige him on the House floor.

This was the good news about the "disturbing" vote. The bad news is that the entire Southern contingent—both Democrats and Republicans—voted against India. Most of those Congressmen are conservative and look upon India as a Soviet ally. It is a simple equation in their minds and something that has not been erased despite efforts from the embassy and the Indian community.

The Southern Congressmen include Mr Dan Burton, Republican from Indiana, Mr Henry Hyde, Republican from Illinois, Mr Toby Roth, Republican from Wisconsin, Mr William Dannemeyer, Republican from California, and Mr David Dreier, Republican from California, among others. Most of the Congressmen from California voted against India.

Nine Congresswomen voted against India, mainly because of the amendment on Punjab which talked about women being raped by security officials. They include Ms Patricia Schroeder, a Democrat from Colorado and a prominent women's rights activist. Most of the first-term Congressmen voted against India, led by the rhetoric by Mr Herger.

Congressman's Interest in Punjab

46001592 Calcutta THE TELEGRAPH
in English 7 Aug 89 p 1

[Article by Seema Sirohi: "India-Baiter Keeps 'Khalistan' Lobby Happy for Votes"]

[Text] Washington, Aug. 6—In the past year, Indian officials have watched the slowly growing power of a young Republican Congressman on Capital Hill. He has proved difficult to contain, as he sponsors legislation after legislation attacking India and its human rights record.

Mr Wally Herger, a second-term Congressman from Northern California, has become deeply associated with the Sikh community here. He has 15,000 Sikhs in his constituency and his rhetoric on the House floor appears to stem directly from the information many of them provide to him. He admits frankly that his interest in the Punjab situation is recent and that his active interest dates back to only this year.

"My response basically came in answer to concern about human rights violations in Punjab. Because of that I authorised some legislation which I thought would be non-controversial. It has proved anything but that," says the 44-year-old Mr Herger, sitting in his plush office on Capital Hill.

He has introduced legislation asking that India be denied the "most favoured nation" status by the United States unless it makes significant moves in changing the situation in Punjab. Mr Herger took the floor once again in late June during a debate on the Foreign Aid Bill and nearly pulled off a victory in trying to block \$25 million in development aid to India. The vote was 212 for India and 204 against. Many Democrats joined in against India, surprising embassy officials.

Mr Herger's world is one of simple equations, easy deductions and quick conclusions. He thinks India is a dedicated Soviet ally and does not have its own identity. "What is that about Lenin's statue going up?" he asks, reflecting the kind of nuggets of information supplied to him by the pro-Khalistan lobby. "Eighty percent of India's arms come from the Soviet Union," he stresses. He then declares that "Communists and atheists don't have the same respect for human life" as regular people do. A rancher and a businessman, the politician in Mr Herger is keen to exploit the opportunities. He has to solicit campaign funds if he wants to run again. He collects from the timber lobby and from the agricultural lobby.

Once dismissed as a Conservative Republican unworthy of attention by some Indian analysts, Mr Herger has become a force that needs to be watched. He is slowly gathering support for his legislation and his enthusiasm is unlikely to diminish since re-election in the US

depends directly on financial support by voters. And the rich Sikh farmers of his district have at least one of the keys to the war chest.

Asked whether it concerns him that many of his constituents may be separatists and finance terrorist groups in Punjab, he says simply, "They have never said anything in my presence. Our conversations deal only with human rights." The matter ends there for Mr Herger. He looks puzzled at the suggestion that people may have other interests in the Punjab situation than just human rights concerns.

"I try to be reasonable. I try to meet both sides. I had a very cordial meeting with the Indian ambassador, Mr P.K. Kaul, who has since retired. I have respect for him. I have gone out of my way to meet representatives of India. I have never turned down a request for a meeting," he says. He cites another example: "I met a representative from the Indian consulate in San Francisco two years ago."

But it becomes obvious during the conversation that he has little respect for alternate sources of information—the state department or news clippings that the Indian embassy sends him. He has met India desk officers at the state department and he does not agree with their interpretation of events mainly because it does not match with the gruesome stories that the "Khalistani" lobby supplies him with. "Many of us in the Congress don't care for the state department. They work against the United States." So there.

Mr Herger has another complaint. He has been mercilessly attacked in the ethnic press here. He points to an article written in *INDIA WORLDWIDE* which uses profane language to describe him.

He has even received a threat from someone calling himself a lobbyist for India. A man named Bill Chasey, whose alleged lobbying for India appears to have done more harm than good, sat in his office and threatened Mr Herger. The Congressman says, "He told me that there are more Hindu Americans than Sikhs in the United States. He said they are getting very angry at your legislation. And that they are trying to find someone to run against me."

Commentary Views Possible CPM Support for Congress (I)

46240053b Calcutta JANSATTA in Hindi 7 Jul 89 p 6

[Article by Pashu Pati: "What Is Being Cooked Up Between CPM and Congress (I)?"]

[Text] While all of the political parties pay lip service to the idea of fielding a single candidate for each seat during the elections, the opposition parties get in to a real quandry when the time comes to implement this decision. Informed insiders have been guessing right from the beginning that it will be difficult for Janta Dal

(JD) to work with Bhartiya Janta Party (BJP) and the communists at the same time. This guess seems to be turning in to reality.

It has been reported that both of the communist parties (CPI [Communist Party of India] and CPM [Communist Party of India, Marxist]) will not discuss seat adjustments with JD. They have accused JD of being indecisive about electoral partnerships. They have also accused the JD leaders, George Fernandes and Ajit Singh, of delaying the discussions beyond 20 June, the scheduled date of the communist parties' politbureau meeting, so that the decisions made during the politbureau meeting can no longer be communicated to the general membership of the communist parties during the national meetings to be held on 7 July. Informed sources believe that this is only an excuse, and in fact from the beginning, the communist parties have been unenthusiastic about the idea of a united opposition.

Do the communists want to imply that in the event of any agreements being reached between JD, BJP, or other "communal" parties, they will not participate in such an arrangement? Is this a well thought out strategy or are the communists really allergic to BJP? If they really do not want to have anything to do with BJP, it is fair to ask what was the basis for such an accord with BJP during the last state elections in Haryana. Wasn't BJP a political untouchable, stinking of communalism, at that time? If so, what were the compelling reasons for making those adjustments? Was it plain hunger for power or a policy change that formed the backdrop for these adjustments? It appears that the communists are trying to blackmail the opposition parties with their clout and installed governments in the states of Bengal and Kerala.

In light of the recent events, it appears that an undeclared accord has been reached between the communists and Congress (I). While talking to press reporters during his Darjeeling trip on 19 May 1989, Rajiv Gandhi complimented Jyoti Basu (West Bengal's Chief Minister) for his efforts towards making panchayat raj [local self government] a success in the state of West Bengal and praised him for being an honest, hardworking, and good administrator. This declaration totally confused and surprised the leadership and cadres of the state Congress (I), since until this point the prime minister [PM] has always been accusing Jyoti Basu of corruption and bad policies. It did not end there. Subsequently, Rajiv Gandhi and Jyoti Basu started on a mutual appreciation campaign.

During his second visit to the West Bengal governor's residence to unveil an oil portrait of Indira Gandhi, the PM's late mother, on 16 June, the PM again congratulated Jyoti Basu for the success of panchayati raj in the state. He also stated that the Marxist Communist Party (CPM) is better than BJP in every way. If CPM is better than BJP, then why have the West Bengal Congress (I) leaders frequently threatened to throw this government in to the Bay of Bengal? It should be noted that since A.B.A. Gani Khan Choudhry took over leadership of the state

Congress (I), he has been making such statements frequently. If Rajiv Gandhi is not partisan, why has he not mentioned even once, the success achieved by the JD government in Karnatka in implementing panchayati raj. It was natural for Jyoti Basu to reciprocate by shedding crocodile tears for Indira Gandhi. He eulogised Indira Gandhi for her farsightedness, firm commitment, and daring personality. He went on to state that all her achievements were her own and not due to family support. It is notable that when she was alive, Jyoti Basu made all sorts of allegations against her for extracting political mileage.

The important question that needs to be asked is not why such mutual appreciation is being exchanged, but rather what has brought about such a change? Sukumar Banerjee, the West Bengal BJP president, clearly indicated to this correspondent that this public expression of mutual love and sympathy is merely a sham. Both parties have their compulsions, being faced with serious allegations. Therein lies the basis for this sudden gush of mutual affection. The leader of the Forward Block and a former deputy chair of the West Bengal legislature, Mr Kalimuddin Shams, states that politics is the background for Rajiv Gandhi's continued praise for Jyoti Basu. Jawahar Rojgar Yojna [Employment Program] and panchayati raj vyavastha [local self-government] are the rallying cries for Congress (I) during the coming general elections. Rajiv Gandhi wants to use Bengal's success in implementation of these programs to convince the rest of the nation. These slogans are as likely to be rejected by the electorate as was Indira Gandhi's Garibi Hatao [abolish poverty] party slogan (in 1976).

The communist parties are trying to distance themselves from opposition unity by raising the issues of communalism and BJP. They seem to have forgotten that their politics have been based on a continuing opposition towards the Congress (I) party and the federal government. The agitation called for by CPI on 24 May to force the closed Jute Mills to reopen was a complete failure. The day CPI joins Congress (I) in a coalition government, it will lose its identity and credibility. It is highly unlikely that the communist parties will join with Congress (I) in an electoral alliance but it is quite possible that in case of need they will cooperate with Congress (I) from outside the government.

IRAN

Non-Oil Exports To Top \$11 Billion

46000174b Tehran KAYHAN INTERNATIONAL
in English 3 Aug 89 p 6

[Text] Bandar Anzali, Gilan Province, Aug. 2 (IRNA)—Iranian non-oil exports is to top \$11 billion during the first five year plan, acting commerce minister, Mojtaba Khosrowtaj announced here Tuesday.

The Soviet Union is a major importer of non-oil goods, since this country purchased \$70 million worth of such goods from Iran last year, Khosrowtaj said.

He said Iran's loading and unloading capacity at the Caspian Sea is 2.5 million tons presently.

The first Iranian shipping line in the Caspian Sea was inaugurated Tuesday as 1400 tons of goods from the Soviet Port of Baku was discharged within expansion of Irano-Soviet shipping line agreed during the June visit of the Majlis Speaker Hojjatolislam Akbar Hashemi Rafsanjani to Moscow.

Cargo transport between the two countries would reach a balance once more commercial vessels are deployed in the Caspian Sea, Road and Transport Minister Mohammad Saeedi-Kya said during the inaugural ceremony.

Meanwhile, managing director of the Islamic Republic of Iran's Shipping Company, Muhammad Hussein Dajmar said the company intends to purchase 39 new cargo vessels to increase the capacity of its fleets from the current 2.3 million to 3 million tons.

Pointing that the company carried 8.3 million tons of cargo to the northern and southern ports last year, Dajmar predicted that the capacity would increase in view of the bright economic prospects.

Orumieh Lake Bridge Near Completion

46000174c Tehran KAYHAN INTERNATIONAL
in English 8 Aug 89 p 6

[Article: "Musavi Inspects Orumieh Lake Bridge Project"]

[Text] Tabriz, Aug. 7 (IRNA)—Prime Minister Hussein Musavi currently touring the region inspected the almost-completed suspension bridge over Orumieh lake in West Azarbaijan Province Monday.

He described the project, named after the late minister of roads and transport, martyr, Musa Kalantari as one of the major post-revolution projects.

The bridge, linking East and West Azarbaijan provinces would boost the local economy and have a great impact on maintaining security in the area, Musavi said.

The project was undertaken in 1981 by the West Azarbaijan's roads and transport department and so far some 18 kms of it has been completed.

Installing a 1,820 meter-long temporary bridge over the lake, by the Islamic Revolution's Guards Corps is nearing its end. With its completion it will be used for light vehicle traffic.

Meanwhile, Musavi Sunday expressed hope the supply of natural gas to Tabriz would accelerate industrial growth and create more jobs.

The prime minister made the remark during a ceremony inaugurating the first phase of the project.

The project would be completed within two years in nine phases. Some 1,200 kms of pipes would be installed and 140,000 families would benefit.

Musavi also inaugurated the second unit of the Tabriz power plant which supplies electricity for more than half of East and West Azarbaijan provinces, in northwest Iran.

The first 387 mega watt unit, which was damaged during the Iraqi war was put back into operation two years ago.

Iran Air Improves Performance Significantly

46000174a Tehran KAYHAN INTERNATIONAL
in English 30 Jul 89 p 6

[Text] Tehran, July 29 (IRNA)—Iran Air has significantly increased its activity after carrying out proposals from experts to improve its operation, according to a report.

Flights and passengers increased by 36 percent and 54 percent respectively in the month of Ordibehesht (April 21-May 21) compared to the same period last year.

This was reported in the latest issue of the transport industry magazine Sanat Haml-o-Naql.

Reducing the number of flight delays enabled the airline to utilize its fleet more efficiently, it said.

Cargo and postal consignments transported during the same month also show increase of 29 and 107 percent, respectively.

In another report, the magazine said tourists from India and Syria would start visiting Iran in the near future.

The Azadi International Tourist Organization (IATO), owned by the State Foundation for the Disabled, has proposed rates to travel agencies which have requested to organize the tours. If they agree, the tours will go ahead.

Japanese tourists were the first foreign nationals to visit Iran since the 1979 Islamic Revolution in organized tours that began in March.

A large number of Indian Muslims and Zoroastrians, have shown interest to visit holy places in Iran. There is a greater demand from Syrians, the monthly said.

To attract the tourists Iran Air will sell tickets at discount rates.

Sanat Haml-o-Naql also reported that Yazd airport, central Iran, has been closed for the second time until further notice to extend the runway, enabling large jets to fly there.

A total of Rials 650 million (\$9.1 million) would be spent on the airport from credit allocated for national development projects.

PAKISTAN

Politicians Criticized on Attitude Toward India

46000167a Islamabad THE MUSLIM in English
6 Aug 89 p 4

[Article by Akbar Naqvi: "Who's Afraid of India?"]

[Text] The recently-concluded Senate debate on Pakistan-India relations demonstrated abeyance of thinking in favour of deep-rooted suspicions which opposition members, who pack the upper House, found easier to handle. Using the Senate as a campaigning point of vantage, the government was charged by them of having entered into a treasonous conspiracy with India to do harm to the country. It was said that secret agreements had been reached between the two governments on Kashmir and the Siachen Glacier to the detriment of our national interest—something reminiscent of criticisms and attacks hurled at the Prime Minister's father on the signing of the Simla Agreement. He too was accused of having sold Pakistan to Indira Gandhi, when in fact prisoners of war were released and Pakistan territory cleared of Indian occupation. So, account ought to be made for some political leaders' antipathy for the Bhutto name, in order to account for the standard of debate in the Senate.

Voodoo Magic

No wonder, then, that Iqbal Akhund, Prime Minister's advisor on Foreign Affairs and National Security, who was designated to present government's case in reply, had to chide Senators at some stage and remind them not to "make this august House a school and college debating-club. There should be some level of debate in the upper House of Parliament, and one should not take undue advantage." In making up for his deferential and defensive attitude earlier in the debate, he did injustice to schools and colleges in which debates are not so personally and politically motivated, and care is taken to be as objective as is humanly possible so early in life. Exercising their right to criticise the government's initiative toward normalisation of Pakistan-India relations, a move which had the late General Zia frustrated because the Indian Prime Minister would not deal personally with a military dictator, Senators of the IJI [Islamic Jamhoori Ittehad] cast fear and suspicion around and gave vent to visceral posturings so that they could look good in newspapers the next morning. The ground for caution and care in dealing with India is not only critical but real, and it is this which can be said to be equally shared by voters of both the government and the opposition. But the exploitation of this to the point of irrationality, as if dealing with India is like voodoo magic, to score points against the government, is far from responsible.

Translated in terms of body language, opposition's foreign policy in relation to India can be seen as postures of intransigence and confrontation on all issues at the same time. We were asked to believe by our Senators that since India can never be a friend, it must be maintained as an enemy in perpetuity. How far removed the proponents of this view were from new openings, can be gauged from President Ghulam Ishaq Khan's advice to Rajiv Gandhi that India should do everything possible to allay fears of its smaller neighbours in the region about its geopolitical ambitions of dominating them. Here was an opportunity to explore in the Senate debate, because the President spoke on the need to normalise relations with India with the qualification that cordiality and mutual respect for the sovereignty and independence of all without consideration of size and population, should go together. In fact, he delineated the high ground of our future relations with India from which alone fruitful bilateral undertakings can be worked out no doubt in much pain and even frustration. And, in speaking for Pakistan, he also expressed the sentiments of India's other neighbours, suggesting that improved relations between Pakistan and India had a regionally valid moral dimension which we could not overlook and must voice on appropriate occasions.

Cave Mentality

Our thinking on Pakistan-India relations suffers on the two sides of the international dividing line, from what can be called the "cave mentality". There is the need to step out into the clear light of reason so that on this subcontinent we too can be in tune with developments to peace in the world. When old enmities are being rolled up, and new initiatives of repair and reconstruction for people's welfare becoming the order of the day, relations between neighbours in South Asia remain medieval. Of course, India deserves a major share for believing that it must dominate the region like a colossus, and by doing this stand up against China in its own eyes and also in the estimation of the international community. The common history we share with that country is the source of division and of much of misunderstanding between the two peoples, to say nothing about the unfortunate wars fought in the last forty-two years. But to help up difficulties which pull against normalisation, cannot be said to be reason good enough to pass by opportunities of defusing tensions and establishing dialogue for exploring possibilities of step-by-step improvement in relations.

There are two approaches to the issue. One is to close our doors so that we are safely barricaded against India's evil designs, and let time and circumstances take care of all historical and current issues. Under siege of our own fears, suspicious of ever standing up against India except in terms of conventional and nuclear deterrence, this attitude suggests that the illusion of strength is believed to be more potent than reality in which diplomatic and political strengths are available. The other approach would suggest that the two neighbours make a resolve in favour of peace and pledge themselves to argue on points and areas of conflict not on the field of battle, but in

conference rooms of diplomacy. This is what the Simla Agreement is all about, and to which General Ziaul Haq wanted to give a militaristic twist and failed.

Having agreed to maintain peace, the two sides should also agree that since it is impossible to resolve all outstanding and emerging problems, efforts will be made on a permanent basis to address as many of them, even singly, as possible. This approach has the strength of common sense, and it is in line with hopes Benazir Bhutto only sketched in her recent summit with Rajiv Gandhi on the need to exercise discipline in armament and safeguard the region against proliferation of nuclear weapons.

After all, politicians of the present decade in our region, who have a threatened future to consider, have challenges other than confrontation and war. These are the eradication of poverty and illiteracy, industrial and agricultural growth, development of technology for the challenges of the twenty-first century and the very survival of our natural environment from the depredations of progress. If Pakistan and India want to be partners in this vision; suspicion, fear and historical dreams of geopolitical grandeur must give way to reason. The upholders of the "cave mentality" on both sides must correct their attitude and fall in step with those who are not afraid of trying out the open air and common sense. After all, the strengths of democracy must be put to test, and its votaries challenged with its demands.

Change in Afghan Policy Opposed

46560058 Islamabad HURMAT
in Urdu 27 Jun-3 Jul 89 pp 14-16

[Article by Waqar Malik: "Change in Afghan Policy—Is It Justified?"]

[Excerpt] [Passage omitted] After the November 1988 elections when the People's Party came into office it was feared that in order to undo the credit given to Zia worldwide on the Afghan issue, the People's Party would alter the policy toward Afghanistan. But Benazir Bhutto continued the former administration's Afghan policy and said, "The political solution of the Afghan problem will be possible only if the Kabul administration relinquishes power. This has become important because the mujahidin leaders have refused to hold any negotiations with that administration. For the rest, our policy regarding the Afghan issue is clear; we want a political solution to the problem. At any rate, it is the Afghan people's problem and only the solution accepted by the people of Afghanistan will be acceptable to us." Benazir Bhutto's statement corresponds to the position Pakistan has maintained since the Soviet intervention in Afghanistan and this position has been acclaimed all over the world. But the facts emerging with the passage of time show that this is not so; for example, when the evacuation of Russian forces was completed on 15 February, the Pakistan Government did not express any pleasure. When, later in February, the Afghan mujahidin formed a

transitional government which was recognized by Saudi Arabia, Qatar, Bahrain, and others, the Pakistan Government maintained an incomprehensible silence.

An open-minded and objective appraisal of events leads to the conclusion that the Pakistan Government should recognize the Afghan mujahidin's transitional government with an open heart. On the contrary, an alarming report surfaced recently to the effect that in view of the latest exigencies of the new order, Benazir Bhutto has decided to change General Zia's Afghan policy which has the full support of the Pakistani people. This change in policy is to be gradually completed over the next few weeks. It was further revealed that in her meeting with President Bush during her recent visit to the United States, Benazir Bhutto reached the decision to adopt a new policy for the political solution to the Afghan problem; Zahir Shah is to be a factor in the Afghan problem. It should be remembered that India had earlier tried to assign Zahir Shah a role in the Afghan issue. The Najib administration as well wants, under the present circumstances, that Zahir Shah not only join the government but be restored to power as well. A great majority of the Afghan mujahidin, on the other hand, are unwilling to accept Zahir Shah on any terms.

It has also been revealed that the government of Pakistan will try to obtain the release of Russian prisoners being held by the Afghan mujahidin. A Russian delegation is in Pakistan in connection with this matter. In view of these reports, patriotic Pakistanis cannot help wondering whether Benazir Bhutto is pushing Afghanistan toward fire and blood instead of helping it toward peace.

After all the sacrifices made by the people of Afghanistan, does she want to obstruct the formation of a government of their own choice? On the basis of a policy of mere expediency, does she want to extricate Russia and its puppet government, whose bloodshed in Afghanistan has known no bounds, from their heinous crimes? Does she want to change her Afghan policy to please the United States and accede to its wishes? All these are questions which relate to the government of Pakistan, and since no reasonable answers have been forthcoming, not only will Pakistan's past impeccable performance be nullified, but history will regard Pakistan as a major hindrance in the success of the Afghan Jihad. As for the rest, even children all over the world know that neither of the superpowers will accept the government that the Afghan mujahidin want to establish. The struggle of the Afghan mujahidin is neither for mere power nor for some secret financial gain. They want only a pure Islamic regime. But history shows that whenever a nation has actively tried to set up an Islamic government, both the United States and Russia have heartily opposed it. That is why these two superpowers want to turn the Afghan resistance movement toward their own interests. For Russia, the pro-Islamic demonstrations that are taking place in the Central Asian states because of the establishment of a purely Islamic regime here [as published] could create obstacles in the path of its aggressive schemes and even prove a preliminary step toward the

end of the Soviet domination of these states. Similarly, the United States, which has faced defeat in Iran because of the Islamic revolution, will not tolerate another Islamic government in the region. As a result of the end of monarchy in Iran, U.S. influence has suffered a setback and its interests in the Middle East have been endangered. Those who are well informed know that the war between Iran and Iraq was in fact the result of a conspiracy by these powers and an attempt to halt the repercussions of the Iranian revolution. The United States and Russia are trying to restore Zahir Shah and prevent the establishment of a religious government in Afghanistan for the sake of their own interests. They are afraid of Islam and allergic to it; hence, it is their wish to prevent unity in Afghanistan and they have directed their total efforts toward the achievement of this aim. They want the different groups in Afghanistan to be constantly at war with each other so that the Afghan people will never be able to achieve their collective strength and never pose a danger to these powers. In the present situation, these powers seem to be achieving their aim. According to the mujahidin, India has also jumped into the fray and its military air force advisers are fighting against the mujahidin. Perhaps the Pakistan Government does not like to see India and Russia discomfited and thus wishes to change its policy even if as a result Afghanistan should become a colony of India and the uncomfortable situation created for Russia, the United States, and India by the Afghan mujahidin should come to an end. The sacrifices of the Afghan mujahidin's 1.5 million martyrs and 5 million homeless people would thus prove to have been in vain and the efforts and sacrifices made by the people of Pakistan over the last 10 years would be wasted as well. The worldwide acclaim received by the people of Pakistan for their exemplary conduct in the matter would be lost and, worse still, the safety of Pakistan would be endangered. The cause of the Afghan mujahidin would be betrayed at a critical juncture.

Under such circumstances, Pakistan's stand on a matter of principle would automatically prove to have been wrong. Before Benazir Bhutto makes a move, she should ponder over the possible moves Russia might make. The new move she is contemplating will bring Pakistan back to the position it held in the Afghan issue in 1979 and destroy the exemplary sacrifices made by the people and the government's historical role.

PPP Said Doing Nothing To Improve Sindh Situation

46000167b Islamabad THE MUSLIM
in English 3 Aug 89 pp 4-5

[Article by Anees Jillani: "Is the PPP Serious About a Solution?"]

[Text] A queen once asked a courtier as to why the people were agitating against the government. He stated humbly that the people were agitating for food. They had no bread. "Why don't they eat cakes?" asked a puzzled

queen. The attitude of our rulers towards the situation in Sindh is no different. The province, which is the heart of Pakistan, is burning and bleeding. All that the rulers have done so far is to indulge in rhetoric.

Zia Regime

There can be no two opinions that the present federal and provincial governments inherited the problems of Sindh from the Zia regime. But the Zia regime is a thing of the past now. Problems created by General Zia cannot of course be cured by a mere stroke of the pen, but what has the present government done to remedy the situation? No doubt the province of Sindh suffered immensely during Zia's dictatorial rule. Its people rightly felt a deep sense of deprivation, and this feeling accentuated as a result of the army crackdown during and after the MRD [Movement for the Restoration of Democracy] agitation of 1983. The induction of a Sindhi prime minister in the person of Junejo did not help alleviate the situation. That was made evident by the riots in the urban Sindh, and later by the massive defeat of all forces allied with the military government.

The Sindhis, apart from the Mohajirs, voted overwhelmingly for the Pakistan People's Party (PPP) firstly because they had felt betrayed to an extent by the execution of a Sindhi Prime Minister at the hands of a Punjabi-dominated junta. Secondly, Prime Minister Z. A. Bhutto had perhaps been the first ruler to devote extra attention to Sindh, and some development work had taken place in the province during his time. Thirdly Sindhis took pride in the personality of Z. A. Bhutto who had virtually become their symbol. Fourthly the Sindhis' love for Z. A. Bhutto and for the PPP [Pakistan People's Party] turned General Zia against Sindh, and he treated that province almost as a step-child. Lastly, PPP was the only national party with a Sindhi leadership.

However, this reposal of confidence by the people of Sindh in the PPP would not be valid for all times to come. Such a massive faith in a political party is not always a good omen for the future because it entails high expectations of the people. That was borne out by the fate of the Awami League and its leadership in Bangladesh after the party's landslide victory in the December 1970 elections.

The PPP, to everyone's utter surprise, has done virtually nothing during the past eight months. The existing economic, administrative, political and social systems of Pakistan are crumbling down and it has now been made clear that matters cannot improve with the present structure. The PPP waged a courageous and long struggle against Zia's dictatorship, and it was expected that it would carry out radical reforms to revitalize the system. It has chosen instead to stay with the status quo, with rhetoric and adhocism being the party's hallmarks. Its aim so far seems to be to place Pakistan firmly in the Western camp as if that would cure all the ills of the society. If Western support, and popularity with the

West, could have been of any help, the Shah of Iran and President Sadaat of Egypt would still have been around.

Sindh is perhaps the most corrupt province of Pakistan. Nothing seems to ever get done there without an under-the-table transaction. It is also the most poverty stricken region, particularly the rural areas. Unemployment and backwardness are perhaps the highest there. Added to those is the acute ethnic problem which dates back to the creation of Pakistan. The prevalent tension took the form of riots between Mohajirs and local Sindhis in 1972 when Sindhi was declared the provincial language. In 1986 was added the Mohajir-Pathan and Mohajir-Punjabi tension as the Sindhi nationalist elements led by G. M. Syed came out on the side of the Mohajirs. With the induction of the PPP government, the trouble culminated eventually in rioting between Sindhis and non-Sindhis, including the Mohajirs. That was a natural outcome and through no fault of the PPP. It could also well be the product of the Sindhi nationalist elements' attempts to embarrass the PPP governments because the party had routed the nationalists in the November 1988 elections. What is strange is not the rioting itself, but the clumsy handling of the situation.

Lawlessness

Army has been replaced by Rangers and the police in the whole province by the new government. The step would have been praise-worthy if the law and order situation had improved. Instead, it has deteriorated. While earlier it used to be risky to travel at night and in certain districts; now the whole province has been rendered unsafe. It is no longer safe to travel even on the National Highway between Karachi and Hyderabad. Some businessmen are even talking of starting a helicopter service to travel from the centre of Karachi to posh outskirt localities of the city.

Kidnapping for ransom is fast becoming a routine practice with people discussing it lightly as if talking of a minor incident. The government's approach to counter the menace has been to introduce death penalty for kidnappers, and the induction of more police personnel. The introduction of death penalty is ironical because the Prime Minister had upon assumption of office stayed the execution of all convicts. Besides, the awarding of same amount of punishment for both murder and kidnapping may encourage the offenders to kill not only their victims but also members of law enforcing agencies.

The proper approach to eliminate dacoity and kidnapping is not through the deployment of a larger police force but through the creation of employment opportunities. "Graduate dacoits" can be pacified best by offering them better avenues. No such schemes have been started. A minister was reported to have advised the people during a recent tour of Sindh to search for jobs abroad! This must have been the only advice of its kind in the world. Pay taxes here, but work abroad. Be Pakistani, work abroad. And how can they even find

work abroad when Pakistan's relations with certain major Arab countries have deteriorated, and oil prices continue to remain low?

The number of people in Sindh—especially in Karachi being the provincial capital—with petitions recommended by the Prime Minister and by others for jobs is unbelievable. Are those petitions solving our unemployment problem? Does it make sense to induct more officials in our already over-staffed bureaucracy? Would it not be appropriate to introduce policies which generate employment rather than recommend a few people to jobs?

But who has the time for policies? It takes a lot of energy and innovation to devise policies, and it takes a long time to implement them. Isn't it better to cater for oneself first and let time take care of the rest? The result is that everyone in the Sindh government machinery is fast catering for oneself—after all the situation is bad and the government could be replaced anytime. The approach is to oblige as many as you can. The result is total anarchy. The administrative machinery is totally paralyzed. A friend posted in Sindh said that his whole day was spent trying to save his job by complying with the requests of the higher-ups. He doesn't get time to do his actual work.

A minister is trying desperately to get his son visit America on a U.S. Aid scholarship at least once. It does not matter whether or not he qualifies? After all the people of Pakistan would reimburse the government of the United States for all the U.S. aid with interest. Another minister got his friend a visa for the United States, but refused to pass it on unless "properly reimbursed." A notable of Sindh promises to get his friend permission to open a bank but only if he pays ten million rupees. But that was too much the friend protested. The notable said that he would have changed anyone else rupees forty million for the same job. Is corruption ending? Yes, if you read newspapers, hear the radio and watch TV. No, if you are in "Pakistan: The Emerging Tiger of Asia."

The government has also done nothing to decentralize power either in Sindh or anywhere else. If the federal and the Sindh provincial government are really sincere in trying to control the situation, they should make genuine attempts to change—or to at least revitalize—the system. Making cosmetic changes and recommending petitions are not the answers to the "bleeding" Sindh.

IJI, PPP Said 'Oblivious' to Punjab Problems

46000167d Islamabad *THE MUSLIM*
in English 24 Jul 89 pp 4-5

[Article by Ghani Jafar: "Punjab: In Quest of Expression"]

[Text] The phenomenal reawakening of Punjab has failed to find a realistic and adequate political outlet. In the main, there has been due to the short-sighted

approach of the two main political contenders in the province—the Islamic Jamhoori Ittehad [IJI] and the Pakistan People's Party [PPP]. Such a myopic handling of the contemporary Punjab question has not only distorted its own political context but may in the event also affect the very complexion of our political structure.

Both those who stood to be the immediate beneficiaries of the change in Punjab in the last November elections and those upon whom it had fallen to respond subsequently to the new realities; the IJI and the PPP, respectively; remain oblivious of the challenge posed by the province today. The long and the short of the new Punjab reality is quite simply the rediscovery by the province of its unpretentious individualism. In historical terms, it amounts, in fact, to the first-ever realization of its particularistic identity tempered with the restraints to its role in the extended sphere of Pakistan's federation.

This is the basic change which all well-meaning Pakistanis should have welcomed, irrespective of their political, provincial, ethnic or linguistic affiliations. It is not clear as to what exactly precipitated the transformation of Punjab's political ethos. But what is at once striking is that the perceptible origin of the new personality is traced back to the out-going phase of totalitarian rule. That, in itself, would seriously bring into question the traditional view that the province as such has always stood to gain the most from centralised governance and from disruption of democratic political process.

The change reflected either that such an appreciation had not been tenable or that in spite of the material benefits accruing to the province under a martial law regime, it had consciously decided to assume a scale-down but more equitable position in the federation. The latter would suggest Punjab acquiring a degree of political maturity to discern clearly its own enlightened self-interest in the national framework. The monumental misfortune is that even this comparatively uncharitable assessment of Punjab's track record finds no relevance to the approach of politicians and publicists alike.

The lines of political battle in Punjab have been drawn on the national scale by the two antagonists and their respective propaganda machines. In the process, the crucial distinction marked out by the majority province itself between Punjab and Pakistan is once again being obscured. Normal political conduct does not permit of sacrifices. It is a game of power, pure and simple. It is the result of a rare and fortuitous combination of factors that the nascent Punjab-Pakistan distinction is faithfully reflected in power correlations. Despite its numerical preponderance in the federation, Punjab's split mandate in last November's elections and the PPP's ability to return a larger number of members to the National Assembly than those of the majority party in the province (the IJI) resulted in the happy prospect of Punjab's power base emerging as a federal co-equal among provinces.

That precisely is both the opportunity and the challenge. Perhaps it is still not too late for the two political platforms to realize that if Punjab's new personality is not fully recognized and catered to, it would inevitably lead to a situation wherein the current historic opening to a sound federal evolution may be blocked for good. Whichever political party would in the event become to rule Punjab would also on the strength of the same electoral base rule Pakistan. And there is no reason to hope that it would be any more responsive to the legitimate aspirations of the smaller units than what has been characteristic of all central authorities to date in the country.

There would also be no point in skirting another reality of the day. If the current central leadership of the Sindh-weighted PPP does not rise to the occasion, it would not only have presided over further alienation of its home province but would also have made a political solution of the Sindh question so much the more difficult. The awkward fact must be stated that all other considerations notwithstanding, the PPP did not have an absolute claim to be invited to form the government at the centre on the basis of its elected strength alone.

Seven months later, thinking individuals in Punjab suspect a lack of political will on the part of the PPP to tackle Sindh. Even more alarming is the rationale of the drift attributed by them to the party in power at the centre. One need not go here into the justification or otherwise for the emerging impression in Punjab; its very existence is, to say the least, dangerously unhealthy for federal harmony. The suspicion is that instead of working towards reconciling Sindh particularism, the party leadership is making use of the opportunity to prepare the exclusive home ground for future use.

Should such a feeling gain wider currency in Punjab and there is no conscious effort made by even the IJI to provide a political channel to the province's federal awakening. Pakistan could be in for a bleak period of inter-provincial discord. This is not likely to serve the interests of anything or anyone connected with Pakistan—the country, its people or the political parties. The challenge of Punjab is, no doubt, formidable. It calls for rising above immediate partisan interests. But upon it hinge the prospects of national unity. It is Punjab which has a problem today, it could be a problem for the country tomorrow.

Atrocities Against Illegal Bangladeshis Detailed

46000168c Islamabad THE MUSLIM
in English 12 Jul 89 pp 4-5

[Article by Yameema Mitha: "Prisoners of Poverty"]

[Text] It is her fifth year in captivity. No one to share the nightmare memories of having watched her 12-year-old daughter gang-raped by three adult men—defenders of law and order in that land, she says—before the child died bleeding. She was breaking international law by crossing borders. They let her go, she was too old to

interest them, and she was promptly caught by the police on the Pakistan side of the journey. Since then she has been in jail.

Twenty-fourth Eid in captivity. He was a young man when he came, weakened by too little to eat, a long and arduous journey, but strengthened by hope of a new life and a better livelihood. Like all those who seek their livelihood in foreign lands, he was willing to work hard, to stretch his capacity to the limit. Now his eyes are dim, his body malnourished, and all that remains of his youth is his years.

An old white-haired man in tears. A young man, blank-faced and empty-eyed, zombie-like in shock. Father and son. Mother and sister lost and killed by rapists. Father and son—in Pakistani jails as illegal immigrants.

An old man. Is it 10 years in Pakistani jails? He cannot remember. It is many more years as a Pakistani that he can remember. "I am a Pakistani! I haven't come from Afghanistan, this is my country! How can you deport me?" The jail personnel think he needs psychiatric care.

Bewildered. A large hall in Karachi, or it may be Loralai, fetid with secrecy and sweat, and the jangle and the noise and of a loud raucous voice. Twelve thousand, fifteen thousand, sixteen thousand, the rustle of dirty money and men, men and more men. It is not an auction of cattle. It is human beings that are on sale here.

A child. Twelve years old, thirteen, fourteen? She is a mother. A smaller child, pale with malnutrition, on her hip. She started out with high hopes, paying an agent for a job in a new country. Sold from hand to hand, sometimes to a "kind old man", sometimes to a man who beat her, and from whom she ran away. Eventually, her home has become a Pakistani prison.

From the humid suffocation of Karachi, to the bitter chill of Quetta winters bundled with a small child on a cement floor, the loneliness of being in a jail where no one speaks your language, to claustrophobic overcrowding in small hot rooms with sleeping companions racked by TB, children with diarrhoea, weeping, dehydration, foreigners in a strange land, where the only hospitality they have known is in our jails.

What is their crime? Poverty.

Driven by poverty from their homeland, searching the dust of other lands in order to fill their stomachs, it is those with initiative and enterprise who walked across deserts and ended up with dead bodies in their arms, and prison fare for their stomachs.

Empty Stomachs

These are illegal immigrants from Bangladesh. Whatever any government says, Pakistani, Bangladeshi, or Indian, we all know these are realities and facts. Facts with an unbearably bitter taste, hard to digest in the high living, policy- and strategy-oriented suave diplomatic circles, but daily fare for the desperate poor.

They cross borders in search of a land that can fill their stomachs. From Bangladesh to Calcutta, from Calcutta to Rajasthan to Tharparkar or Cholistan, they fall into the hands of sharks, of border security forces on any border; and sometimes even prison can seem a haven.

They are bought and sold as cheap labour, as prostitutes, as domestic slaves by ladies in silks and diamonds or Pakistanis or Afghans who cannot afford servants from among themselves, they are passed from hand to hand, and it is the fortunate few who may find themselves as wives at the mercy of a husband.

Amongst all the stories, there was one with a happy ending. A young Bengali married to an Afghan refugee, living with his family in the camp. His reasons, for a wife from amongst his own people, he has to produce a valvar of Rs 40 to 50 thousand. A young goodlooking Bengali costs Rs 15,000. Her main complaint: she does not like the food, although she has learnt to cook it, like she has learnt a little Pushto. Her wildest dream: she should be able to contact her family and her parents. She cannot imagine how lucky she is that she has a husband at all, let alone a husband who allows her to meet outsiders.

Almost every jail in Pakistan has had its share of Bengali illegal immigrants at one time or another. They are not "criminals", they are "legally confined". The treatment they get depends on the jail staff, who sometimes turn out to be more human than their popular image.

Adiala Jail in Rawalpindi has been made a centre for Bengali illegal immigrants caught in the Punjab. There are almost 300 Bengali men, women and children in this jail. As a special concession, they are allowed to cook their own food.

When you see 30 women, some with TB, and 15 children, all malnourished in a small overcrowded room, it is easy to blame the jail authorities. But they are forced to accommodate 30 women in a space meant for 24.

All prisoners have their miseries. But virtually all Pakistani prisoners have some one who visits, who sends an Eid card, who brings them clothing, a cake of soap, a toy for a jailed child, a comb. These prisoners have no one.

The greatest desire is to go home. Otherwise they aspire to a bottle of hair oil, to a cake of soap, to a pair of chappals, a toy for the child.

The jail superintendent himself requested a social work organisation, Medical Services Organisation [MSO], to see if they could help these prisoners in any way. MSO regularly visits the prison and offers free services, particularly for prisoners who need specialist consultation or treatment. The senior cardiologist who visited the illegal immigrants said he could not sleep for some days because of the misery he saw there.

Funding

MSO has drawn in dozens of volunteers who are busy collecting money, buying, getting sewn and packing new

clothes for Eid, organising a deg on Eid day, buying cakes of soap, a pipa of sarson ka tel and distributing it in 30 4-anna plastic bottles. Although oral hygiene is a great necessity, they could not buy toothbrushes or toothpaste because 300 sets would have cost over Rs 3,000, so they have bought misvak.

But all this costs money. MSO have raised over Rs 6,000, yet they are still about 15,000 rupees short. In a panic to get things ready for Eid, they are approaching foreign agencies for funding.

It is a shameful tragedy that in the fair town of Islamabad, Rs 15000 cannot be raised without resorting to begging from foreign agencies.

There are many Pakistanis willing to give, there are some who have decided that this shall be their qurbani instead of a bakra that shall end up in the freezer. But Pakistanis are afraid to give because they do not know whether it gets to the intended recipients. In this case, Dr Nuri of MSO, whose integrity is beyond question, will deliver the goods to the recipients with his own hands.

Yesterday we were brothers. Today we have separated our houses. But the activities of MSO and all the others who have donated to them and helped them for this particular cause show that the links were not so tenuous.

Perhaps we can also think of thousands of Pakistanis, illegal immigrants confined in foreign jails in Europe, America and the Middle East. They may live in jails where the walls are smeared with excreta, or lie on soft mattresses watching television, or be the butt of racist prison riots from which they are afforded little protection. Perhaps we hope that there too someone may spare a kind word for the Paki away from home or Eid.

But for the Bengalis in Adiala jail, where will the next cake of soap come from? Is this another bottomless pit that we can go on dishing charity out to, and the problem will never be solved?

The most necessary answer—although even that is in the short term—is that they should go home.

The jail superintendent said that there have been a couple of consular visits from the Bangladesh embassy. They have been shifted here—amongst other reasons—so as to make access easier for the embassy. But the women say they have received no visits. It is possible that the visits were to the mens side, there are almost 200 men. However, 30 women should merit a visit from a compatriot who speaks their own language. Eid is a time when such a visit would be very appropriate.

In the last one and a half years, about 200 Bengalis have been repatriated, according to the embassy. But each and every single case has to be referred to Dhaka. They then have to ascertain that such and such person really existed, really was a Bengali, etc., etc. Even if the person came from the remotest village in Bengal.

It defies intelligence, when one meets these illegal immigrants that anyone, particularly a Bengali, should take them for anything but what they are, Bangladeshis.

But the embassy says, all this red tape is necessary to deter the odd-Bengali-speaking-Burmese or Sri Lankan who may be seeking a novel way of going to Bangladesh to seek his fortune.

There are Bengalis who castigate these people for crying for home now. Why did they leave their homes in the first place? Because of greed. Why were they not patriotic enough? They have no one but themselves to blame.

Similarly, there are Pakistanis who say, it was the Bengalis who wanted independence. Let them realize this is no longer free hunting ground for them. Let them taste the poverty that independence has locked them into.

Neither such Pakistanis, nor such Bengalis have been to Adiala Jail.

They may have been greedy for a couple of hundred taka more, greedy to see the light in a child's eyes, greedy to be free of want and insecurity. Some of them, including some women, are literate; but none has written home. "How could we write such a story of shame to our parents?," they ask with tears streaming down their faces. Like all prisoners, some of them suffer from depression.

But it is the rascality of the malnourished children, and the cheerful smiles on so many faces, despite the tears and tribulations and the many dashed hopes that are a tribute to all humankind.

(Anyone wishing to help should contact Medical Services Organisation at 6132104 or 583388.)

Attack on Ahmedis Detailed

46000168a Lahore THE PAKISTAN TIMES
in English 12 Aug 89 p 3

[Text] A visit to Chak Sikandar revealed that the Kharian Police and district administration virtually stood paralysed as sectarian tension mounted and then, on July 16, broke into open violence. They seem to have been frightened into inaction even more than the Ahmedis by militancy on both ends. The cloak their failure they now claim the July 16 incident to have been the results of personal vendetta while both the parties themselves say that it was a sectarian outbreak from beginning to end.

Not only that. The riots, which took a toll of a Muslim and three Ahmedis, including a minor girl, were also self-confessedly premeditated and were directed at compelling the Quadianis to flee their villages, and go out of Kharian Tehsil and Gujrat District.

Pir Mohammad Afzal Qadri, General Secretary of Jamaat Khuddam-e-Rasool Ahle Sunnat, Pakistan, said

as much without a shade of apology. "We would have eliminated these kafirs from Kharian and Gujrat had the police not intervened", Pir Afzal declared.

Chak Sikandar, barely four kilometers from Kharian, was a peaceful small village of 2,500 people until a year back. The two mosques in the village were under the common use of both Muslim and Ahmedis. Except for Juma prayers, offered separately by the two communities in the two mosques, all the other prayers were held twice in each mosque, once for Muslims and then for the Ahmedis. The reason for this religious harmony among the village's 500 families—about 135 of them belonging to Jamaat-e-Ahmedia—was probably the blood relations that knit the two groups together. Almost all of them belonged to the same biradari of Gujjars.

The situation began to change some 10 months ago. One Mohammad Amir, a former soldier, who was once an Ahmedi himself but who renounced this faith about 17 years ago, reportedly decided to launch a campaign against the Ahmedis "in order to enforce the law of the country", as he himself declared. As a first step, he called for the take-over of both the mosques by the Muslims.

The dispute over the mosques was referred to the panchayat which decided to give one of them to the Muslims and the other to the Ahmedis. But Mohammad Amir reportedly refused to accept the award and sent applications to district administration. The latter also, however, upheld the decision of the panchayat.

The Ahmedis claim that, to avoid a clash they relinquished their right to the mosque allotted to them and handed both the old mosques over to Mohammad Amir and his group, and started constructing a new prayer house for themselves. But, they alleged, Mohammad Amir did not stop denouncing them in provocative language. The matter was again and again reported to high-ups of the police and the district administration, but no action was taken. It was alleged that Mohammad Amir even called for sacrificing the Ahmedis on the occasion of Eid al-Azha. Even this, it is said, did not move the police to look any preventive measures, the Ahmedis said. [sentence as published]

Later on, a case was registered by Mohammad Amir against the Ahmedis for having written Kalima on their doors. The Ahmedis also said that their muallameen, Velayat Khan and Hameed Khan, were beaten up by Amir and his followers in the last week of June, but again no action was taken. "Amir's provocative speeches continued unchecked", the Ahmedis charge.

At the end of June and the beginning of July, a compromise solution was fashioned by the notables of the area, including the chairman of the Dhorja Union Council and the lambardar. Both the parties went to the Assistant Commissioner, Kharian, to inform him of the sulah-nama and to withdraw their cases against each other. But on July 3 only the Ahmedis withdrew their cases, those registered by Mohammad Amir were reportedly not withdrawn.

Given this background of relations the police and district administration obviously needed to be extra vigilant. But after the sulahnama they apparently became even more supine. No measures to prevent any ugly incidents were taken.

The district administration, the Ahmedis and the Muslims give different versions of the riots which started on July 16 and which ended up by taking the lives of Nazir Ahmed, 38, Rafiq Ahmed, 35, Nabila 10, and Ahmed Khan.

The Ahmedis alleged that the President of their Jamaat of Chak Sikandar, Master Muzaffar Ahmed, was beaten up by some young men belonging to the group of Mohammad Amir and then scores of people not only from Chak Sikandar, but also from adjacent villages, besieged the village in groups of three's and four's.

According to one Ahmedi woman, whose people were armed with guns and carried canisters of kerosene oil. After some time they started setting the houses of the Ahmedis on fire and shooting from their guns.

A woman relative of the deceased Nazir Ahmed alleged that their houses were being looted and children, women and men were being shot at indiscriminately and "We could do nothing except run helter skelter to save our lives". A niece of Nazir Saqi alleged that Mohammad Amir was behind the attack. The Ahmedi conceded the some of them too took out their guns, but contended that was only for self-defence.

Mohammad Amir and his group put the blame for igniting the riots on the Ahmedis. They say that a Muslim youth, Ahmed Khan, was shot dead by the Ahmedis which provoked the Muslims not only of Chak Sikandar, but also those from adjacent villages who had started gathering, and then, as Pir Mohammad Afzal Qadri put it, *balwa ho gaya*.

"We could not control the mob whose religious feelings had been hurt by these kafirs he claimed. He also accused the Ahmedis of being the first to start the fires. He alleged that they set three houses of his brothers on fire, and then the others retaliated by burning down 38 houses of the Ahmedis. Canisters of kerosene oil, he said, were found from the house of Khaliq, a prominent Ahmedi of Chak Sikandar. The Muslim, however, admitted to beating up Muzaffar Ahmed before the riots ensued.

The Ahmedis deny having started the riots. They add that Ahmed Khan was killed by one of his own companions with whom he had fallen out over the possession of a sofa looted from the house of an Ahmedi after the riots had started.

Shaukat Ali Rana, Deputy Commissioner [DC], put the blame on the Ahmedis. He said that they, though in a minority, always started the riots. he also claimed that the outbreak was sudden and the administration was taken unawares.

On the evening of the incident all the Ahmedis were evacuated from the village. However, even the injured were left to fend for themselves at Kharian. They were asked to go to Gujrat by themselves for medical aid.

The Civil Hospital in Kharian was reportedly told to treat only the Muslims. The police sources and the DC justify this by saying that it was done only to save the lives of the Ahmedis.

Some government doctors were said to have refused to treat children and others who had received bullet injuries. These had later to be taken to private clinics.

The evacuated families of the Ahmedis were not provided shelter, let alone compensation, it was claimed. They were reportedly forcibly stopped from returning to their homes on the ground that it would cause further riots (although the DC and other district officials have continued to deny that the riots were sectarian).

Indeed, Mohammad Amir and Pir Mohammad Afzal Qadri, while talking to this correspondent, openly threatened more killings and arson if the Ahmedi families were ever allowed to return to the village. They declared that no Ahmedi would ever come back, except he who had first embraced Islam they have reportedly even issued a 'declaration form' for those who want to recant. Anyone who wants to come back to the village has to sign it. It is an avowal of one's being a Muslim. The sister of deceased Nazir still living at Chak Sikandar said that she and the others were being harassed by Mohammad Amir.

The aggrieved Ahmedi families allege that the district administration is siding with Mohammad Amir and his associates. They said that despite repeated request, from them to take action to restrain him, the police had nothing of the kind. As proof of police partiality they pointed to the fact that they arrested 16 Ahmedis, and only the Ahmedis, on the charge of killing, arson and loot.

The displaced Ahmedi families have apparently lost not only their houses but also everything else they had. They burnt houses, which were now guarded by the police to protect whatever was left of it, had a haunted look. Not a single straw was apparently left in them.

The police and district administration explain their refusal to move against Mohammad Amir and his associates by saying that they do not want to create problems for themselves in the month of Muharram. They are as aware as anyone else of the public statements of these gentlemen to kill any Ahmedi who dared to return, but they are unwilling to do anything about it or even to start a proper investigation into the rioting.

The DC conceded that Mohammad Amir had become a kind of ruler of Chak Sikandar after the incident. The authorities pamper him even though they admit to his being the cause of the whole incident.

The police claims to have acted 'promptly' over outbreak but actually it panicked at the magnitude of the riots. The SHO Kharian told us that he had only five policemen with him when he received intelligence about the incident. "When we reached the spot, firing was stopped", he claimed. But the residents of the village alleged that firing and arson continued till long after the arrival of the police and even on the next day.

The SHO [Station House Officer] also claimed that reinforcement of about 500 policemen reached the site from Gujrat and adjacent areas within 10 minutes. An ASI [Assistant Inspector (of Police)], Mohammad Arif, contradicted the SHO's claim by saying that reinforcements arrived late in the evening. "How could police from Gujrat arrive within 10 minutes?" he asked.

He also confirmed that incidents of arson and shooting continued even after the arrival of police. The affected Ahmedi families could only be evacuated late in the evening, after the arrival of police from adjacent police stations, he said.

It wasn't a surprise that no MNA [Member of National Assembly] or MPA [Member of Provincial Assembly] visited the trouble-stricken village. Due to the system of separate electorate for the minorities, no member of legislature considers minorities his constituency.

The displaced families of the Ahmedis have appealed for a judicial inquiry into the incident. They have demanded compensation for their losses and asked for arrangements to enable them to return to their homes.

Punjab Said Lacking Facilities for Graduate Study

46000167e Islamabad *THE MUSLIM*
in English 28 Jul 89 pp 4-5

[Text] Punjab faces a desperate shortage of seats for post-graduate students. Out of the nearly 25,000 students who passed the 1988 Bachelor's examination, only about 5,100 in the whole province will be able to attend Master's level courses. That leaves thousands of students disappointed each year. Apart from the lack of post-graduate seats, with the exception perhaps of the Punjab University, the few colleges offering Master's level courses do so in an extremely narrow range of subjects. Post-graduate science seats are virtually non-existent, raising the question of how Pakistan can possibly hope to achieve scientific and technological development. For girls—who are less likely to be able to live away from their home-towns—colleges outside Lahore invariably offer only M.A. Islamiyat or other such non-vocational subjects.

For many who want to pursue further studies, the situation is not only frustrating, it also limits severely their future options. Despite the low level of mass education, a Bachelor's degree ironically has increasingly little value in the job market. The bitter competition for post-graduate places has inevitably encouraged corruption—not only at the time of admission but also during

the Bachelor's examination, as students and their parents seek desperately to guarantee high marks and therefore, a better chance of admission into post-graduate classes.

Meanwhile, those who are denied admission but remain determined to improve their employment prospects are forced to take their Master's courses as private candidates. That has led to the flourishing of private colleges and tuition centres, not all of which function properly. Private candidates also face discrimination: those who took the M.A. exam privately in June last year are still awaiting results, thus losing out on employment opportunities. On the other hand, most of the girls who fail to gain admission into regular Master's courses, usually succumb to family and/or social opportunities available to girls with only Bachelor's degrees are extremely limited, and for the middle classes often socially unacceptable, their entire potential is wasted.

Although successive governments have had a great commitment to higher education than to primary education—the subsidy per student being much higher in the case of the former—there has at the same time been something of a deliberate attempt to keep the number of post-graduate seats strictly limited. This has been another means of ensuring that the country continues to be run largely by those from the traditional ruling classes, filtering out those who do not have the power and influence to gain admission to post-graduate courses and become members of the educated elite. The teachers are also partly to blame. While many colleges have sufficiently qualified staff as also resources for conducting post-graduate courses, teachers often balk at the prospect of extra work and study it would entail.

Apart from the obvious remedy of expanding the number of post-graduate seats, solutions to the problem should also involve expansion in the number of decent jobs available to those with a degree-level education, plus an improvement in the standard of Bachelor's studies which would then presumably make a simple degree a more respectable qualification. But going by the present state of the country's education system, the level of economic development and extent of social equality—all of which are closely related factors—such solutions would appear a long way off. Meanwhile, it seems the country would continue to waste the potential of thousands who want to improve their level of education.

Commentary Urges Bhutto To Take Action in Sindh

46000167c Islamabad *THE MUSLIM*
in English 30 Jul 89 p 5

[Commentary by Akbar Naqvi in the "Outlook" column: "Sindh Needs More of Prime Minister's Time"]

[Text] Benazir Bhutto's overnight stay in Karachi on July 20—on way to Islamabad from Larkana—had many people wondering if she could spare enough time for Sindh. What with the killing of PSF [Pakistan Student

Federation] students on July 8, and two young MQM [Muhajir Qaumi Movement] workers on Eid in Karachi; ethnic disturbances in Dhabaji, Hala and Hyderabad giving rise to reported migration of affected persons from the interior of the province to Karachi; and, dacoities, kidnappings thrown in for good effect, in the perception of these anguished people Sindh deserved the Prime Minister's undivided attention and presence for some time on the spot. Newspapers had built up hope that she would be spending more hours than could be counted from her fleeting visit to the city. Her quick departure to attend to more pressing business in the Federal capital caused considerable disappointment, suggesting at the same time that there may be a distance between her perception from Islamabad, and that of others living in a maelstrom, about the seriousness of the situation, and the need of prime ministerial time and presence for its urgent redressal.

Strategy

The only concession she could be said to have made in favour of the people's expectation was to have taken the Chief Minister with her to Islamabad, so that he could have her undivided time and attention on the two-hour flight. But consultations at 35,000 feet above ground, and flying at a speed of more than five hundred miles per hour, while demonstrating the Prime Minister's concern for Sindh, highlighted again how hard-pressed she is for time required for leading a desired political and administrative strategy for the province.

It was not long ago that she described the condition of law and order in Sindh as a "minor insurgency". Only the other day, the Senior Federal Minister, Nusrat Bhutto, chose as her theme of lament the disturbances in the province, while she was inaugurating a development project in a village near Sukkur, and appealed to its people not to reduce it to ashes. And when the criticality of what is happening here is recognised publicly and yet not given the priority which it requires above all other domestic and foreign agendas, people of the province would live to know why there is no reciprocity in perception between those who have been entrusted with the affairs of the province and the rest who find it teetering on the verge of destruction.

Perhaps, the Prime Minister has good reasons why she has stuck to her current approach, and is giving as much of her time as she believes she ought to spare. It is also clear that she does not want to upstage her Chief Minister on his turf, made all the more necessary by the threats he faces from within his own party in the province. A case can also be made that she does not want to be pushed by circumstances or the opposition into steps which would look reactive and defensive. When the whole country is crying that Sindh is burning, someone should inspire calm resolute and control necessary for acting without panic.

Admitting all this, what should also be pointed out is that quite a lot of valuable time has been lost in blaming

the late General for Sindh's travail and hoping for the best from the changes inaugurated by the November elections. Not that most people are unaware of the inequities of the martial law regime of more than eleven years. But as time passes, and the situation shows no signs of improvement, people cannot be faulted for expecting from the PPP [Pakistan People's Party] government what it promised to deliver. In this, failures and backsliding cannot be booked in the account of General Ziaul Haq and his coterie. It is the PPP government which the people will hold responsible for developments under its tenure, and that is as true of Sindh as of other parts of the country.

It will not be denied that what is happening in Sindh will lead to serious consequences for the federation and its security. It is reported that in the cabinet meeting of July 24, the Federal Interior Secretary presented his report on the province, and recommended that urgent and stringent administrative and political measures be taken without loss of time. The issue was also said to have been discussed by the Prime Minister's colleagues who also felt the need to address the problem immediately. Unfortunately, Qaim Ali Shah could not attend the meeting to which he had been invited. That was due to a delayed flight from Karachi to the Federal Capital.

Many other cabinet meetings have been held in which Sindh and its affairs have featured prominently. It is hoped that the recent meeting was of a different nature in the sense that, even though not devoted entirely to the subject, the sense of urgency for the Prime Minister's time and personal attention were not overlooked. But some of the decisions reported as the outcome of the meeting, such as the ministers' recommendation to meet the MQM leaders, and yet another visit to the Minister for Interior, sounded suspiciously like proforma attempts which are not going to be of any help to the haemorrhaging province. Or, for that matter, these steps are not going to reassure the people of the province either who have begun to expect the worse to be dealt by the passage of time.

Once again the cleavage between bureaucratic action, taken with the best of the knowledge of the situation from a wider perspective, and the expectations of the people for urgent relief, has shown clearly and indubitably. What good is it to anyone if Islamabad is seized with the situation, when results coming out from there have so far been totally inadequate to allay people's fear and raise their hope in the curative powers of a popularly elected government?

Cabinet meetings are necessary for the Prime Minister to consult her colleagues and also for flow of information so that decisions can be taken. But in themselves they do not mean much for voters and suffering citizens for whom the perception of the leader of the government personally involved in sorting out troubles and solving problems is far more inspiring. While administrative measures will be required to put the Sindh administration on its even keel before it lies in a collapsed heap

before long, acts of political leadership are also required. It is true that for quite some time the press publicity of a free for all within the provincial PPP leaders for the chief minister's position seems to have abated as a result of the reported disciplining of her party members by the Prime Minister, cracks and fissures of personal and even ideological nature remain to be repaired.

Malaise

It is not the MQM members and leaders alone that the minister and the Prime Minister should be meeting. Time has come that she have a heart-to-heart talk with the rank and file of the provincial party members and its leaders, whose commitment to her policy on keeping the MQM on her side in the larger interest of Sindh has not been bought by them. The Sindh PPP lacks in vision and purpose, and has failed to adjust to the exacting demands of democracy in which hate and intransigence have to be replaced with understanding and dialogue. Insofar as this party is concerned, it has abdicated its own political responsibility in favour of its government, and in doing this, has put the Chief Minister and the Prime Minister under intolerable burden.

It is this situation, to our mind far more endangering, which the co-chairperson of the party is faced with. And, the malaise cannot be addressed from Islamabad through cabinet decisions which will not have been owned by the members of the party. After all, the most rewarding challenge of a politician in a democracy is to talk to people and build bridges of understanding and civilised give and take with one and all. It is only then that quarrels are defused and agreement reached to work out problems together. We do not see the Sindh PPP having taken the lead in this. Nothing will be more reassuring than Benazir Bhutto addressing herself to this problem which would lead to normalisation in Sindh.

Editorial Urges Strong Steps in Sindh

46000166a Karachi DAWN in English 9 Aug 89 p 7

[Editorial: "Group Conflict and Lawlessness in Sindh"]

[Text] The Prime Minister's speech on Sunday at a village near Hyderabad touched upon a sensitive issue that must be resolutely address[ed] now if it is not to get out of hand. Impelled by a sense of insecurity some people have lately been moving from the urban areas to the rural and vice versa. Even though this displacement may not have acquired threatening proportions, it is serious enough to warrant attention at the highest level. Sindh's various ethnic communities have been living side by side for well over four decades. While there may be a broad rural-urban divide on ethnic line, there are small towns and rural areas as well as cities where intermingling has been under way and where people of diverse linguistic and cultural origins have lived in harmony and cooperation in daily life since the emergence of Pakistan. It is not unusual for a process of integration such as this to come under stress and strains

and, in certain circumstances, even to produce an undercurrent of disharmony and antagonism. However, the outstanding fact is that this togetherness forced by history is not an unmitigated disaster but a potential blessing upon which all sides can build for the good of all. In attempting to tackle this delicate issue, one has to be realistic and admit that Sindh's evolving demographic matrix which could in fullness of time demonstrate its inner vitality and richness is now threatened by unhealthy militant assertiveness from both sides. Given the situation on the ground, it would be myopic—even suicidal—for any community to develop a philosophy based on exclusivism and maximalist demands. I this approach could lie the seeds of destructive strife and chaos. In some of her previous speeches the Prime Minister spelt out her administration's policy clearly when she referred to the need for a three-pronged approach to Sindh's law and order problem with its ethno-political dimension. Broadly speaking, this meant tackling Sindh's problems from an economic, political and administrative point of view.

Absence of representative rule and denial of provincial autonomy have played a decisive part in creating an acute sense of alienation in Sindh and in supplying the cutting edge to the province's ethnic diversity. In both democracy and federalism had been allowed to work during the past four decades, the operation of the processes of conflict-resolution, conciliation and integration would have helped contain the forces of decisiveness and lower the level of combativeness. Pakistan's economic backwardness and its concomitant of increasingly stiff competition for scarce resources and opportunities is another source of Sindh's troubles. The tension emanating from the uneven economic development of different communities and from a resultant sense of deprivation would not have acquired an ethnic aspect if successive regimes had pursued egalitarian and even-handed policies aimed at ensuing socio-economic justice for all sections of the people. In Sindh's peculiar situation the imperatives of distributive justice must necessarily mean a just allocation of financial resources to all regions and an equitable distribution of government employment and educational and economic opportunities to the different sections of the population. That such an approach was missing in the past was compounded by the absence, for long periods, of the right to ventilate grievances. The democratic freedoms now available to the people ensure an airing of grievances and dissatisfaction without any inhibition. But there is need for empowerment of the local communities and their elected institutions to give a sense of democratic participation to the people at all levels. An elaborate plan for decentralisation of power should involve devolution of authority from the higher tiers of government to the lower all along the line. The theoretical existence of autonomy at the apex of each province will make little difference to the local communities when the power to make decisions and the freedom to act for the good of the community exist at every level. Both urban and rural areas need this. Unless there are several tiers of adequately empowered

institutions of self-government there is serious danger of local communities developing a sense of alienation leading to a process of social and political fragmentation.

Lastly, the Prime Minister has placed no less an emphasis on a correct administrative handling of the situation. The precarious law and order situation in the province has both political and non-political aspects. While dacoities, bank robberies, kidnapping and highway hold-ups have reached an all-time high and occasioned widespread trepidation, ethnic strife is no less of a worry as a source of grave danger to both the country and the province. The former is largely a matter for the administration to handle. Ruthless efficiency and honesty are needed to stamp out crimes of violence. It will help if the police personnel are largely drawn from the local community. On the other hand it is only sensible to put politics in command in dealing with perceived incompatibilities between one ethnic community and another. It does not mean, though that one should fail to see when administrative measures and police action become inescapable. However, if the political essence of militant ethnic assertion is borne in mind it will seem advisable for the Government to maintain a dialogue with all of Sindh's political parties and groups, whether or not represented in the provincial legislature, to elicit their cooperation in a crusade for peace. It is only with the combined will of all of Sindh's political parties and ethnic communities that a true and lasting peace can be restored in the province.

Editorial Urges Respect for Senate

46000168d Peshawar THE FRONTIER POST
in English 27 Jul 89 p 6

[Editorial: "Respect Owed to the Senate"]

[Text] The Senate has heard the Treasury benches proclaim that they have the honour of the Senate very close to their hearts. Two ministers of state have stood in the Senate and denied that the PPP [Pakistan People's Party] government has 'vilified' the Senate. They have pleaded that the senators should be generous to the expression of private opinion on the constitutional validity of the Senate. How the senators will manage to achieve this sense of generosity is difficult to imagine. Senior Minister Mrs Nusrat Bhutto and Mr Hakim Ali Zardari of the PAC [Public Accounts Committee] have both publicly moaned about the fact that the Senate is not legal. If the government didn't want to dishonour the Senate it should have officially issued a disclaimer and called those views private, but it did not. Let us call a spade a spade. The PPP government has not given the respect to the upper house as is its due because most of the senators incline to the views of the opposition and the PPP doesn't like too much the democratic compulsion of co-existing with an opposition.

We all know that the 8th Amendment didn't improve the 1973 Constitution. The Muslim League annals clearly show that Mr Junejo signed it under duress from the

CMLA [Chief Martial Law Administrator]. An elected legislature, however, accepted it and if another legislature wants to get rid of it the only method available to it for doing so is the instrument of majority. Dr Sher Afghan, who is such a good student of the constitution, may lament the distortion of Article 17 but he should realise that it was the survival of the senate after the dissolution of the National Assembly by General Zia that made possible the return to democracy. General Beg had no hesitation in handing over to the chairman of the Senate when it was decided to go back to martial law. President Ghulam Ishaq Khan, who decided that the PPP should form the government after the 1988 elections despite its inability to achieve even a simple majority in the lower house, was a senator elected under the amended Article 17. The role of the Senate entitles it to respect and the PPP leadership, so wedded to the ideals of democracy, should view it ungrudgingly.

Commentary Views Northern Areas as Part of Kashmir

46000168b Islamabad THE MUSLIM (supplement)
in English 28 Jul 89 p 4

[Article by Col (Retd) M. Rashid Abbasi]

[Text] The territory liberated in 1947-49 is divided into two parts—Azad Kashmir (AK) and Gilgit and Baltistan, or the Northern Areas).

Whereas the Azad Kashmir has a parliamentary form of government, with complete civil administration, the people of the NA [National Assembly] are deprived of even basic human rights. Their fate is hanging in balance, and they are citizens neither of Pakistan nor of AK. There is no constitution, hence no courts. This situation has caused deep despondency among the people, and they are now clamouring for inclusion of NA in AK.

There are, however, some elements which vehemently oppose this move. Their main arguments are as follows:

a. The NA (as it is now called) never formed part of Jammu and Kashmir State.

b. The people of NA joined Pakistan out of their own free will, and therefore, NA is now an integral part of Pakistan.

The continuation of the present situation in NA is fraught with dangers and is detrimental to the security of Pakistan. It runs counter to the policy on the government of Pakistan vis-a-vis the Kashmir issue.

Those who advocate the maintenance of the status quo in NA are only aggravating the miseries of the people, because the present situation is tantamount to "neither on earth nor in the sky."

After the ceasefire in 1949, the AK government felt that due to geographical and other handicaps, it was difficult for them to directly take over the administration of NA. They therefore asked the government of Pakistan to look

after the administration of NA temporarily. An agreement was reached between the two governments which was signed by M. A. Gurmani, Minister Kashmir Affairs, and Sardar Muhammad Ibrahim Khan and Choudhary Ghulam Abbas, President and Supreme Head of the Azad Kashmir government respectively.

At that time there was no road link between Pakistan and NA. Later in the 1960s, the Silk Road was constructed with Chinese cooperation, removing the major hurdle for the AK Government.

NA formed part of Kashmir even during Sikh rule (1819-1846). In 1842 Col Nathe Shah led the Sikh army which occupied NA except for Chilas. When the Sikhs were defeated by the British, Kashmir was sold to Gulab Singh in 1846 for Rs 75 lakhs only. The conqueror of NA, Col Nathe Shah, opted to serve Gulab Singh, the new ruler of Kashmir.

During these turbulent years some chieftains of NA organised a rebellion and chased away the remaining state forces. Nathe Shah once again led the Dogra forces, occupied the territory and crushed the revolt. The Rajas and Mirs either perished or pledged loyalty to Srinagar. In 1860, a Dogra army expedition against Chilas was led by Gen Hoshiara Singh and the entire area was brought under the state control.

Sensing a danger to the NA from the USSR after the Bolshevik Revolution, through an agreement with the Maharaja, the British took over Gilgit area on lease for 60 years in 1935. A British Resident was posted at Gilgit, and the state ruler allowed his civil administrative staff to serve under the British Resident. The state flag continued to flutter alongside the Union Jack on the Residency, and local Rajas and Mirs continued to pay tributes to the Kashmir throne. Except for Gilgit, the entire area of NA remained under the rule of the Maharaja.

In 1947, when the British decided to leave India, they turned over leased territory (Gilgit) back to the Maharaja. On August 1, 1947, the British Resident left and Brig Ghansara Singh arrived in Gilgit as the Maharaja's new governor for NA. The Gilgit Scouts, which had been serving under the Resident, were also put under state control. Part of the Kashmir Regiment was also given to the Governor.

The war of liberation continued on this front, and the Muslim elements of Kashmir Regiment and the Gilgit Scouts played a key role in it. Col Hussan Khan, Maj Muhammad Khan, Capt Babar Khan and others are still remembered by the people for their valour, patriotism and sacrifices. Brig Ghansara Singh and non-Muslim personnel of the army and civil administration were detained as prisoners of war. Ghansara Singh was later repatriated to India.

After the ceasefire in 1949, a ceasefire line (CFL) was drawn from the plains of Bhimber to the high mountains

of NA—except of course Siachen area. This CFL, now called the Line of Control, still exists.

The Lahore High Court gave a decision which says: "NA though administrated by the federal government do not constitutionally form part of Pakistan. The existence of a separate 'local authority' for NA has been recognised by the UN." Similarly, the Sino-Pak border agreement regarding some territory of NA also contains this passage: "The two parties had agreed that after the settlement of Kashmir dispute between Pakistan and India the sovereign authority concerned will re-open negotiations with the People's Republic of China."

The above facts clearly show that the NA has been a part of Jammu and Kashmir State since even before Partition of the sub-continent in 1947, and it continues to be so. There is nothing to support the contention of NA being a part of Pakistan or even of having legally acceded to Pakistan.

Any attempt to alter the status of the NA will seriously harm Pakistan's interests. The entire population of the NA is Muslim, and whenever a promised plebiscite is held in Kashmir, 100 percent votes of this population will surely be cast in favour of Pakistan. Separation of the NA from the state or its amalgamation with Pakistan would mean partition of the state of Jammu and Kashmir.

Steps so far taken by the Ministry of Kashmir Affairs are not indicative of any healthy outcome. The only solution is abrogation of 1949 agreement, extension of the AK Constitution to NA and representation of the NA people in the AK government and the Assembly.

To sort out the details and evolve a workable plan acceptable to all concerned, a meeting must be called without delay of AK and NA leaders under the auspices of the government of Pakistan.

Editorial Praises Economic Ties With Bangladesh *46000166d Karachi DAWN in English 5 Aug 89 p 7*

[Editorial: "Economic Ties With Bangladesh"]

[Text] It is redeeming to know that Pakistan and Bangladesh have agreed to widen and diversify bilateral trade and to probe new areas of economic and technical cooperation. For this reason, the third session of the Joint Economic Commission (JEC) at Dhaka must be considered fruitful. Pakistan and Bangladesh enjoy a shared history and friendly ties. After the establishment of Bangladesh, bilateral trade was first resumed through third countries in 1974-75. With the signing of a general trade agreement in April 1976, direct trading was introduced, followed by a shipping agreement in August the same year. The revival of direct shipping gave the much needed boost to the bilateral trade which reached the mark of 102.6 million dollars in 1984-85 going up to 153.3 million dollars in 1987-88. Yet, the trade exchanges are "highly compressed and remain confined

to a few conventional items" as observed by the Bangladesh Commerce Minister, Mr M. A. Sattar, in his address to the JEC, even though considerable scope exists for the "diversification of trade and commercial relations." This needs to be exploited. At present, Pakistan's exports to Bangladesh consist of raw cotton, yarn, cotton fabrics, fertilizers, pharmaceutical items and iron and steel products, with infrequent export of machinery, equipment and railway coaches. Pakistan's imports from Bangladesh consist of raw jute, jute bags and tea. It is a matter of satisfaction that the JEC meeting has decided to include more items in the bilateral trade and to enter into long-term agreements for traditional items like tea, raw jute and raw cotton. As for the non-traditional items, agreement seems to have been reached in principle to identify and include new items in the bilateral trade.

The Minister of State for Finance, Mr Ihsanul Haq Piracha, who led the Pakistan delegation, pointed out that many Pakistani firms in the private and public sectors were capable of meeting Bangladesh's requirements in various fields and were interested in setting up joint ventures. The need for this has been recognised by the two countries. Joint ventures, for instance, can be set up in such sectors as engineering goods, surgical goods, fibre glass board, sports goods, textile machinery, leather goods, silk manufacture, etc. Collaborative arrangements in the fields of agriculture, fisheries, livestock will obviously benefit both the countries. Pakistan has already extended a State credit of 50 million dollars to Bangladesh which indicated at the JEC meeting that it would like to utilise it for the purchase of ships, agriculture equipment and spares of sugar mills. It is a turn for the better that both the countries are eager to increase their trade exchanges in capital goods, machinery, electrical goods and other items. Similarly, the decision to probe possible areas of collaboration and joint ventures in electric and electronic goods' manufacturing should help strengthen economic cooperation between the two countries.

Commentary Questions ANP-IJI Alliance

46000168e Peshawar *THE FRONTIER POST*
in English 26 Jul 89 p 6

[Commentary by Dr Khaliq Ziar in the "Letters" column]

[Text] The split of the Awami National Party [ANP] into two factions. Begum Nasim Wali Khan group and democratic progressive group on the formation of alliance with the IJI [Islamic Jamhoori Ittehad], has brought Khan Abdul Wali Khan face to face with a severe crisis. In the beginning he had underestimated the popularity of the dissident leaders and due consideration was not given to the political awareness of the party activists. But the storm of resignations from the party made him sense the severity of the situation. Now, on the one hand, he wants to stand on the decision of alliance with the IJI, which he considers a matter of honour and on the other hand he strives to minimise the number of activists and

workers quitting the party in protest. As most of the resigning activists and workers are progressive minded, so Khan Abdul Wali Khan is in dire need of a well-known progressive leader on his side to make use of his influence and prevent as many members as possible from quitting the party.

The recent campaign of the ANP against the dissidents shows that the desired progressive leader is no one else but the revolutionary poet, Ajmal Khattak, who has come from exile in the last week of January 1989.

On July 6 addressing a public meeting at Peshawar, Ajmal Khattak said that he was a progressive in practice rather than of a red book and ANP is the only part in Pakistan playing a progressive and anti-imperialist role. That is why he has come out in support of the ANP. He said that Mikhail Gorbachev was also appreciating the political role of Khan Abdul Wali Khan and one hundred and fifty progressive foreign countries had accepted the ANP as a representative progressive party and Khan Abdul Wali Khan as a progressive leader in Pakistan. He further said that the issue of Afghanistan could be taken as a standard for judging the progressiveness and anti-imperialist character of a political party in Pakistan. He asserted that ANP was the only party coming out openly in favour of the Saur Revolution and those who opposed it were doing so at the behest of imperialism. On July 5, while addressing a public meeting at Kohat, Ajmal Khattak said that whenever it was proved that the ANP has lost its progressive character, he would resign from it without any hesitation.

If we look into the matter in the perspective of Ajmal Khattak's personal history, it would be clear that he has always been more loyal to Wali Khan's family than to his ideological conviction. In 1976, when differences surfaced between Begum Nasim Wali Khan and progressive elements in the NDP [National Democratic Party], which led to the formation of National Progressive Party. Ajmal Khattak, even though out of the country, had sided with Begum Nasim Wali Khan group and parted ways with his progressive comrades. His loyalty to Wali Khan's family can also be gauged by the fact that, while reading his revolutionary poetry, one comes across some poems in which tribute has been paid to even the non-political members of Wali Khan's family. What ever Ajmal Khattak may call himself, he has proved himself nothing more than a true fan of Khan Abdul Wali Khan. Moreover, in making decisions he has occasionally preferred emotions to reason. In this regard one can refer to a verse of his poem, composed in Kabul in 1974. The said verse is like this:

"O, Comrades! Listen. If I do not return with the red sedan of my cause,

a Pukhtoon mother would have not given birth to me."

The pledge made in the above verse is completely based on emotions. Otherwise, there were no objective and subjective conditions for what he called his cause. That

is why, in 1989, as everybody knows, he returned without the red sedan of his cause.

As far as the appreciation of the political role of Khan Abdul Wali Khan by Gorbachev and recognition of the ANP by 150 countries as a progressive party is concerned, it may be a tale of the past. Now the ANP would have to enter into new relations on national and international level with reference to its recently adopted political line. If Khan Abdul Wali Khan wants to maintain the name he had earned during the last three years in the world politics, he will have to prove that the alliance with the IJI in the prevailing objective conditions of the country is in conformity with the immediate demand of progressive politics. Time is the best judge. But in the light of the ideological conviction, political commitment and international affiliation of the component parties of the IJI, one can predict that the entering of the ANP into this alliance would do more harm than good to the progressive forces, not only inside the border but throughout the whole region.

What is the purpose of this alliance? There is no need to base one's answer to this question on political assessments and speculations. While addressing his party workers at Wadoodia Hall, Mingora and Ghazi Baba Masjid, Charsadda, Khan Abdul Wali Khan very clearly said that the purpose of this alliance was to topple the government of the PPP [Pakistan People's Party] in this province (NWFP). By doing so, according to him, "the PPP would be made unable to run its government in the Centre and eventually Benazir would have to have rest in Larkana for every." In this regard Khan Abdul Wali Khan should not lose sight of the fact that sending Benazir to Larkana for having a rest is not a purpose in itself but the actual political objective lies in the consequences of it.

Here the question is, who will come to power after the fall of the PPP government? It is beyond any doubt that the IJI, having Jama'at-i-Islami and Muslim League in the front, would take the place of the PPP, provided martial law was not imposed. In such a case the share of the ANP in the central government would be negligible because of their owning just three seats in the National Assembly and they would have a say neither in designing home policies nor in foreign affairs of vital importance. In the province (NWFP) it enjoys comparatively better position for having fourteen seats in the Provincial Assembly. But it has been made clear by Jama'at-i-Islami chief Qazi Hussain Ahmad while addressing his party workers at Mansura that his party would accept no nominee of the ANP as governor or chief minister in NWFP. Later, according to one national daily, he was assured by the Chief Minister of Punjab Mr Nawaz Sharif that the matter was settled with the ANP leadership at the time of discussions for alliance and none of the two said offices would be given to the ANP. If this is the situation then it is certain that the IJI would have an upper hand in the government of NWFP and the ANP would have no more power than it had during its

coalition with the PPP. When faced with such a predicament, Khan Abdul Wali Khan would have either to bow his head before the policies of the legacy of late Zia-ul-Haq or regret over what he is practicing nowadays and come back to his previous fold.

If we take the issue of Afghanistan as a standard for judging the progressiveness of a party when the ANP, being in alliance with the IJI, would certainly fall short of it. The IJI, in case of acquiring state power, would recognise the interim government of Afghan mujahideen without any delay and would strive to bring the fundamentalist, fanatic forces into power in Afghanistan. IJI is need of such a government on the border while the political interest of the PPP goes contrary to this. The PPP government would never make the mistake of helping the fundamentalist forces come to power in Afghanistan because they can rightly be expected to go to any extent at the behest of Zia's legacy—IJI: Dr Najibullah has also sensed the difference in the interests of the rival political forces in Pakistan with reference to the issue of Afghanistan. In an interview with a delegation of Pakistani journalists, which recently visited Afghanistan, Dr Najib expressed concern over the plans of what he called the military adventurers in Pakistan and feared that they were looking for an opportunity to undo the present democratic set-up in Pakistan. He further said, "We do not want to take any step to benefit them as we want to democratic process in Pakistan to flourish for which the people of Pakistan have rendered great sacrifices." [sentence as published]

In view of this, the ANP, after joining hands with the IJI against the present democratic set-up, has lost its progressive character and if it does not part ways with the IJI in the near future it will lose the place it has gained among the international progressive forces and movements. Whatever the leaders of the ANP may call themselves with reference to the Afghan revolution, it is evident that their present-day political activities go against the integrity and stability of the said revolution.

Rendering all-out support to an ANP which is involved in security the political objective of the IJI is derogatory to the status of a revolutionary leader like Ajmal Khat-tak. So in the end I would like to request Ajmal Khattak not to break with his real comrades and review his decision of siding with Begum Nasim Wali Khan group against those who are striving for democratic and revolutionary changes in the country.

Dr. Khaliq Ziar c/o Habib Hassan Cloth Merchant, Dargai Bazar Malakand Agency.

Editorial Urges Clarification on Privatization Policy

46000166b Karachi DAWN in English 6 Aug 89 p 7

[Editorial: "Privatisation Policy"]

[Text] Inaugurating a two-day seminar in Islamabad on "privatisation and investment," organised jointly by the

Ministry of Industries and the UNDP [United Nations Development Program], the Prime Minister dwelt on the policy (still in the process of formulation) of her government on privatisation of the state sector industries and utilities. Privatisation in Pakistan has now been talked about for years although not even an initial step has been taken so far to implement it. The difference between the policies of the previous and the present governments lies in the fact that for the former it was a dogmatic compulsion, as it is with the World Bank and its affiliates and associates, and for the latter it is an economic desirability. The Disinvestment Authority set up by the previous regime, following detailed reports on the subject prepared by the Bankers Equity and the NDFC [National Development Finance Corporation], worked for over a year but could make no headway. The reason was that the objectives were not clearly defined. The compelling force for privatisation was, and continues to be, the need to reduce budgetary deficits by liquidating the subsidies being dished out to the state enterprises. It is quite possible, as an one-time proposition, to raise finances by selling the shares of profitable enterprises but there is hardly a taker for those which are in the red and which are a burden on the exchequer. If that course were to be followed, in the long-run the main objective would be defeated, leaving only the losing concerns to be kept artificially alive on public revenues. The seminar has suggested that the losing concerns should be privatised at discounted value. The recommendation corresponds to the remedy suggested in various previous reports, namely, that the losses be written off and the enterprises be revamped and run on healthy lines in the public sector. The Government exposes itself to the charge of favouritism or political bribery if it decides to sell at a discounted value to short-listed individuals or groups. This apprehension somehow prevented the previous regimes from following the path of disinvestment.

The basic question is why some of the enterprises have been losing concerns. The reasons may be more than one—either some of these were conceived on grounds other than economic, or many of these were overcapitalised in the very initial stage because of corruption, or these have been badly managed. And for one or more of these reasons they have today accumulated liabilities greater than their assets. No sane private entrepreneur would like to buy them at book value. To make privatisation a feasible proposition, enterprises in varying conditions of financial ill-health need to be graded according to the basic causes of their losses. If an enterprise was set up initially for social or political considerations, then the losses being incurred by it represent social or political cost. They have to be borne by the Government or the owning corporations unless the consideration has ceased to be relevant. If the losses are due to initial or subsequent corruption, means have to be found to adjust them. Where losses are mainly attributable to bad management, possibilities of improvement are certain to materialise through change of management and operational methods. Decisions in respect of each of these categories of enterprises need to be taken separately.

The Government's privatisation policy, as indicated by the Prime Minister, aims at broadening the ownership of the enterprises by offering shares to the workers and the general public but ensuring, at the same time, that no group gets more than 15 percent of the total shares—to avoid creation of conglomerates. Two factors remain unexplained. The policy is still silent on transfer of management to the private sector and on how subsequent acquisition of more than 15 percent shares by any single group will be prevented. If there is no change in management and Government interference continues as at present, the offer of minority shareholding to the public would not make much of a difference to the economic viability of the enterprise concerned. Artificial restrictions on the natural growth of capitalism have not worked in any country and they may not work in Pakistan either. Once you opt for a capitalistic pattern of development, you have to accept its logic and consequences.

It must be emphasised that there is nothing inherently bad or sublime about the public or private sector; it is the social and political environment that either corrupts both or makes them admirably productive of results. Badly managed institutions exist in both sectors. Overcapitalisation, corruption and mismanagement are not the characteristic hallmark of public ownership of industries alone. Had it been so, all private sector enterprises would be running profitably and also to the advantage of the consumer. An important factor that adds to the profitability of the private sector in Pakistan is the one that the Prime Minister has herself referred to. She has said that public sector organisations are much better taxpayers than the private sector businesses. What in fact is lacking in both sectors, and in this regard public sector certainly is poorer by far, is professionalism in management. The Government must pay greater attention to this aspect. A statutory management service needs to be created to run public sector enterprises with a high degree of professional competence, and the prospects of promotion of this managerial class should be exclusively linked to the success of the enterprises they work with. Yet, this alone may not be enough. What is equally important is freedom of decision-making and a large degree of autonomy in the execution of specific and predetermined policies and objectives. Day-to-day outside interference in decision-making is fatal for any business.

The previous regime dogmatically put up the public sector as a rival to the private sector. This stand lacked logic because the two sectors have often not been in conflict and have sometimes even been complementary. Pakistan has a great potential and vast untapped resources for an accelerated process of industrialisation. Both public and private sectors have ample opportunities to exploit and enough reasons to co-exist. The Government should allocate resources with total impartiality on the basis of efficient economic use and allow freedom of management in both sectors. The privatisation policy as enunciated by the Prime Minister with

administration continuing to have a say in the management and with safeguards provided against take-over by large groups may not succeed. It needs to be brought into harmony with realities.

Commentary Urges Commitment to Technical Education

46000166c Karachi DAWN in English 5 Aug 89 p 7

[Commentary by Dr. M. A. Hussein Mullick: "Integrated Approach Must for Qualitative Improvement"]

[Text] During 1968-89, Pakistan's development in the field of industrialisation has left a great deal to be desired. This is reflected not only in her export trade but also in imports and the overall matrix of industrial production. The only sector that has shown a reasonable growth rate has been agriculture. The break-through achieved in the production of foodgrains, particularly wheat and rice and the quantum jump scored in case of cotton are examples worthy of appreciation. The rapid development of agriculture has led to tangible results. This holds particularly true for research establishments which have grown in number and are producing good findings for the development of certain crops, fibres and fruits. With the rapid development in farming sector, the agricultural banking institutions have also considerably stepped up their activities.

The increasing availability of sugarcane and cotton has helped towards the establishment of more sugar and textile mills. As far as educational facilities needed for the industrial development of the country are concerned, however their growth continues to be quite slow. The reason for this slow growth could be safely attributed to the inadequate appreciation shown to this sector.

A look at the various documents on education released by the Ministry of Education and Planning Commission in Pakistan reveal that the planners have done a good job in advocating the cause of education and training by suggesting large-scale spread of literacy and along with it increasing the facilities for secondary and higher education as well as training in different trades during the Seventh Plan period (1988-93), but there is no mention how all these efforts are going to be integrated into the developmental mainstream of the country. It is this aspect of the exercise which, despite being so vital, has not been properly attended to. The thrust of the whole effort is more isolated and that too on the quantitative side, proposing an increase in the number of educational training-research establishments without however establishing a vital linkage with the economy. While doing this the Plan states that the present educational system does not fit into the needs of the economy. "A large majority of students, graduating from classes VIII and X have acquired no marketable skills for absorption in the economy."

Despite this emphasis, the data in the Plan reveals that "the enrollment in technical/vocational and professional education has not increased in proportion to the increase in enrollment in general education." At present about 24.4 percent of the annual intake after matriculation goes in for technical/vocational education. This proportion was not much different 15 years ago when it stood at 20.6 percent. The reason for this slow development again confirms our earlier thesis that Pakistan's pattern and rate of development since 1968 have been unsuitable to foster a reasonable development in the educational sector. We admit that the new Plan has allocated far more resources for this sector as against the Sixth Plan (1983-88: Rs. 16.1 billion in the Sixth Plan; Rs. 23.1 billion in the Seventh Plan) but will the additional outlays lead to some qualitative improvement in this sector?

Our assessment is that it is not the quantitative approach which is going to solve the problem, rather it will be tantamount to worsening the situation further. The other disappointing feature of the Plan is its niggardly allocation for another vital sector, namely science and technology. Total allocations made in the Plan stood at Rs. 1.9 billion as against Rs. 3.4 billion during the Sixth Plan. Not only is this amount too small in the context of the overall developmental requirements, the fact that it is going to be thinly spread also gives cause for alarm. Pakistan's educational/training and science and technology efforts are not likely to bear the desired fruit as long as its economy is not set right from its foundations.

As is well known, Pakistan's future development is threatened not so much because of lower literacy ratio or inadequate production of professionals, but due to the overindebtedness of both federal and provincial governments (Rs. 625 billion at present) and the concomitant charge arising therefrom on their respective budgets. There is also the problem of unremunerative investments in the public sector. (About Rs. 60.0 billion in the public sector industries under the charge of the Ministry of Production). Side by side with these problems, there is the chronic neglect of the rural sector and the peripheral role of the provinces in the developmental regime. The neglect of the private sector is another bottleneck in the way of a self-sustained development.

Unless these basic issues are boldly and energetically tackled, no amount of improvement can be accomplished in educational/training or science and technology. The process of development demands an integrated approach to education and this means that the educational sector should grow side by side with the overall growth of the economy. The point here that seems most vital is the need to revamp the whole economy. The point here that seems most vital is the need to revamp the whole economy first and then let the educational sector provide the necessary input into it.

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