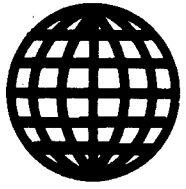


JPRS-NEA-90-009  
7 FEBRUARY 1990



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# ***JPRS Report***

# **Near East & South Asia**

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# Near East & South Asia

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## Future Israeli-European Relations Discussed

### Commentator Warns About Europe

44230065A Tel Aviv YEDI'OT AHARONOT  
in Hebrew 6 Dec 89 p 19

[Article by Ben-Dror Yemini: "My Heart Is Not in the West"]

[Text] The world is thrilled. The events in Eastern Europe are dramatic, historic, stunning. Before our very eyes, actually day after day, the "end of history" is occurring, in the sense intended by that transitory star, Francis Fukuyama. Democracy is victorious, the confrontations between the great powers are disappearing, and only the backward regions, such as our own, are sunk in their own mire, with a tangle of limitations and points.

Against this background, calls are heard here for "a return to Europe." We have been hit in recent weeks, in the media, by a wave of yearning for a future that will not be on the basis of a past that never was. If over there those wonderful values of the liberation of man from the chains of tyranny, humanism, and democracy are being realized—assert the yearners—our cultural place is there. The new lovers of Europe are returning to what Max Nordau once said about Zionism: "For the sake of broadening the boundaries of Europe." And in this framework, there are those here who seek: If we are not there—then at least they, the masses of cultured Jews, will rush to our assistance, will return European dominaton to our culture, and will save us from Levantinization.

How easy, simple, and simplistic. A magic formula for liquidating all the problems—at least for those who feel that they have a problem. They are here completely due to a mistake. Their place is there, in Europe, on the banks of the Danube and the Volga. It's not clear, after 100 years of Zionism, what they are doing here, in this disgusting place, in this crowded steam room. Zionism, if we continue with their line, is a complete mistake. In our great stupidity, we were exiled from the source of progress and culture, from Europe.

Apparently, their historical memory is very short. One could think that Zionism, which brought about the exodus from Europe, stemmed from an excess of love on the part of the host continent. Yes, already 100 years have passed, but Europe, West and East, is still far from being clean of those reasons on account of which we received a great, very painful, kick in our national behind. Zionism stemmed from the European experience, because the Jews and Judaism were not wanted. There is a kind of internal contradiction between us and ourselves. Were that not the case, there would be no Zionism, no Holocaust, and no State of Israel.

And what next? Astounding changes, indeed. But can someone guarantee that the general disintegration, which is fundamentally positive, will not release an unbearable quantity of nationalism and antisemitism?

Will the Soviet Union of glasnost be clean of Pamiyat? Will the Poles in the era of Solidarity become philosemites? Is there not a worrying blooming of the extreme right in most of the countries of Western Europe?

It is very easy to be tempted towards one aspect of Europeanism, that which contains accommodation and humanism. But always, always it is accompanied by an ugly, threatening aspect of nationalism and antisemitism. That's how it was in the merry '20s and '30s, between the two World Wars, and that's the way it will be, apparently, when the same false merriness returns.

We are here, in the Middle East, in Israel, in the Levant, because that same Europe has already tormented us. We have nothing better—certainly not Europe. We must build our own humanism and democracy, here in the region, with all of its ugliness and beauty.

The victim—that's us—must not yearn for the scene of the crime.

### Problems Between Jews, Poles Recalled

44230065B Tel Aviv YEDI'OT AHARONOT  
in Hebrew 6 Dec 89 p 19

[Article by 'Ezra Sadan: "An Embarrassing Courtship"]

[Text] Gid'on Pat does not excel as an especially rousing orator. What he has to say, he voices generally sotto voce. When he succeeds in angering someone—and that happens, occasionally—it is the direct result of what he has said, and not of the rhetorical pyrotechnics that he doesn't command.

The minister of tourism, who served in the past also in the Ministry of Industry and Commerce, devotes a considerable amount of his public appearances to the microeconomic aspects of those branches of the economy that were then and are now the responsibility of his ministries. In this manner, the correspondence between the modesty of the subject and the low tones of the speaker is usually preserved.

There was a far-reaching deviation last week from this harmonious framework. Without changing his tone, Pat referred publicly to the great and terrible historical account of the Jewish people with Poland. Strangely, his voice was the only one to challenge the unceasing efforts of cabinet ministers to move the Polish Government to renew diplomatic relations with us. According to him, that government represents a people a minority of which were righteous among the nations and most of which were partners—by default or in practice—with the deeds of the Nazis and the Holocaust of European Jewry. Therefore, he argues, it is not honorable for Israel to court Poland. Quite the contrary—if there is someone who would be honored by the renewal of relations, it is Poland, and not Israel.

These words were spoken publicly during the official visit of the minister of finance, Shimon Peres, in Warsaw. They were not pleasing to the ears of his hosts and of the Israeli visitor and his associates. According to reports in the media, Peres tried to mollify his hosts, and discounted Pat's statement as an exercise in political backbiting on a party background.

If his hosts indeed heard Peres utter such an assertion, it was an incorrect explanation that requires correction. For even if the speaker was a political figure, who chose his subject and the timing of his words according to party considerations, that does not make them any less serious. On the contrary, it should have been explained to the Poles—who are at this stage taking an introductory course in Western democracy—that in a free country, the feelings of the people may be expressed even by political figures, who are paying attention to the opinion of the public and its feelings.

Moreover, precisely in this case there was no reason to refer to what was said as ordinary party chatter. If Shimon Peres has any doubts in this matter, I am ready to have him meet my elderly mother. Since she came here from Poland, about 70 years ago, she has been among the dedicated faithful of the labor movement, and she has no great love for the words of the politicians of the school of the Liberal Party. Nevertheless, on the Polish subject, Gid'on Pat was her mouthpiece.

### **Moscow Denies Visas to Israelis**

*44230065E Tel Aviv HA'ARETZ  
in Hebrew 14 Dec 89 p 2*

[Article by Gid'on Alon: "The Soviet Union Refuses To Grant Visas to the Heads of the Jewish Agency"]

[Text] The Soviet authorities have refused to grant entry visas to the Chairman of the Jewish Agency Executive Simha Dinitz, Knesset Immigration and Absorption Committee Chairman Michael Kleiner, and to the Jewish Agency Director General Major General Moshe (Bamil) Nativ, who wanted to participate in the Jewish Cultural Congress that will open next week in Moscow and last for three days.

It was learned that a delegation of the Zionist forum for Soviet Jewry, headed by former Prisoner of Zion Natan Sharansky and Dr Yuri Stern, also was to go to the Congress, in which representatives of Jewish cultural societies throughout the USSR will participate.

The official delegation also was to be joined by a delegation of journalists who were to cover the Congress.

The Soviet embassy in Vienna announced yesterday that it was denying the application for entry visas for the Jewish Cultural Congress because the Congress is not sufficiently important to allow visitors from Israel to arrive. Immigration authorities estimate that the refusal of the Soviet authorities to allow the participation of the heads of the Agency is intended to lower the profile of

the Jewish Cultural Congress and to prevent the granting of an official permit by the Soviet authorities for its existence.

It was learned that despite the negative reply, efforts are still being made in various ways to obtain entry visas for Dinitz, MK [Knesset member] Kleiner, and the heads of the Zionist forum.

HA'ARETZ' reporter notes that Deputy Prime Minister and Finance Minister Shimon Peres will leave in another 10 days on a visit to the USSR, during which he will meet with Soviet Government figures in Moscow, Leningrad, and Kiev.

### **Hopes for Israeli-USSR Agricultural Cooperation**

*44230065D Tel Aviv DAVAR  
in Hebrew 11 Dec 89 pp 7, 8*

[Article by David Moshuyub: "Great Expectations"]

[Text] Large Soviet cargo planes will land at Ben-Gurion Airport on 25 December to take approximately 200 tons of fresh agricultural produce to Moscow. This will be an experimental shipment, which is to be the opening signal for the implementation of agreements that were signed by Agricultural Minister Avraham Katz 'Oz and the Moscow municipality for the export of 90,000 tons of fresh agricultural produce worth \$30 million.

Katz 'Oz says that in the first, experimental shipment Israel will include produce that was not ordered by the Moscow municipality—cheeses, peppers, cabbages, turkey breast, and miniyoghurt—in order to display to the Soviets another aspect of Israeli produce.

If the deals with the USSR will go through in everything concerning the export of produce, says Katz 'Oz, this may bring about a change in Israeli agriculture. Moscow, with which the agreement was signed, alone has 16 million souls who consume 2.5 million tons of food products annually. The minister is striving to conclude with the Russians annual agreements for the export of fresh produce and citrus worth \$110 to \$200 million annually.

It should be remembered that the value of exports of fresh produce from Israel comes to almost \$550 million. An increase of \$100 to \$200 million in exports of fresh produce will require, of course, preparations, an increase in cultivated land in Israel, and an increase in quotas of most crops. It is in Israel's national interest to succeed in the first step, in order to arrive at the point where the Russians will sign additional annual agreements for the import of produce from Israel.

The Russians are paying for Israeli produce with Russian goods, which will be given to middlemen in barter trade. The middlemen will sell the goods in third countries and will pay the Agrexco company, which will export the produce from Israel, in dollars or Israeli shekels.

Katz 'Oz places great hopes on the visit of Finance Minister Shimon Peres in the Soviet Union, because, as Minister of Finance, he can sign large economic agreements. The Moscow municipality, says Katz 'Oz, is ready to propose that it build for Israel a railroad to Eilat, or build a metropolitan rail transit system for Tel Aviv at a cost of 300 to 400 million rubels. Katz 'Oz expects that during Peres' visit to Moscow, the groundwork will be laid for the maintenance of overall trade relations between Israel and the Moscow municipality or other bodies.

According to the minister of agriculture, there is great interest in Israel in the USSR, but there is little knowledge of the achievements of Israeli agriculture. When Katz 'Oz told the Soviets about the yields in Israel, they simply found it difficult to believe that a milk cow produces 10,000 liters of milk annually, that the potato yield is 60 tons per hectare (ten dunams), and that the tomato yield is 100 to 120 tons per hectare. In the coming year, two delegations of the agriculture committee of the Supreme Soviet will arrive in Israel to get a first-hand view of the achievements of agriculture in Israel. A first group with seven members will visit in February 1990, and a second group of six members will visit in March for the opening of the Agritrade 1990 exhibit.

During the visit and the discussions with government authorities, with members of the Supreme Soviet, and the heads of agricultural committees, there were also informal discussions. At a meeting with the head of the Soviet Academy of Agricultural Sciences, Niknov, the latter said to Katz 'Oz that he was sorry to note that in the Academy of Science, which has as members 56 professors who are not residents of the Soviet Union, there is not even 1 professor from Israel. Niknov requested permission from Katz 'Oz to add several Israeli professors as members of the Soviet Academy of Agricultural Sciences, and added that the USSR is interested in the exchange of professors with Israel.

During a visit to the sovkhos [Soviet State Farm] of Istara, at a banquet at which the participants drank large quantities of vodka and wine, tongues were loosened and more than one Soviet representative complained about the mistakes that his country had made. What fools are we, they said. We broke off relations with Israel in 1967 and everyone engaged in foolishness. We invested and

lost 57 billion rubels in the Arab countries, and we got nothing in exchange. They threw us out of Egypt, and as for the other countries, we don't know what will happen.

During the visit, Katz 'Oz proposed to the Russians establishing joint projects on the basis of Israeli inputs, such as constructing a large central dairy, building dairy barns with 500 head of cattle from the finest in Israel, building slaughterhouses and silos. As was mentioned, the interest in Israel and its agriculture was large, and the ministers of agriculture of the Ukraine, Lithuania, and Latvia have already invited Katz 'Oz to visit their countries and to discuss various subjects that relate to his ministry.

#### Exports to Thailand Increase

44230065C Tel Aviv YEDI'OT AHARONOT  
in Hebrew 7 Dec 89 p 18

[Article by Avi Shubert: "Exports to Thailand Are Expected to Increase"]

[Text] An increase of 22 percent is expected in Israeli exports to Thailand in 1989, and they will come to \$70 million, as compared to \$59 million in 1988, according to Gaby Baer, the commercial attache in the Israeli Embassy in Thailand.

Baer estimates that Israeli exports to Thailand will grow considerably in the coming years, and will reach \$200 million annually within 5 years.

Diamond exports constitute approximately 40 percent of Israeli exports to Thailand today, and their share will grow to 50 percent in the coming years. According to Baer, Israel is considered to be a power in the field of agricultural inputs. Agriculturalists in Thailand have great expectations from Israeli industry.

The trade attache in Thailand also noted that chemical exports to Thailand totalled approximately \$12 million in 1989, and added that a branch of "Koor Sahar" is operating nicely in Thailand and is contributing mainly to the marketing of chemical products.

Israel is also exporting medical equipment by Elscint and Laser Industries.

Baer estimates that it is possible to achieve even more significant increases in trade with Thailand in the coming years.

### Gorbachev Aide Expresses Support for NKAO Unification

46050009A Paris GAMK in Armenian 14 Dec 89 p 3

[Text] Abel Aganbegyan first makes an impression with his imposing physique. But it is hard not to admire him when he begins to speak. Because he is not only the mastermind of Perestroyka, but also the Armenian who has stood on the side of justice, namely the reunification of Artsakh with Armenia, since the early days of the Artsakh issue, perhaps more vigorously today than in the past.

The Armenian community of Argentina had its first encounter with the renowned economist on 9 December in the AGBU [Armenian General Benevolent Union] theatre hall. There, Aganbegyan, who had arrived in Argentina the same day, was introduced to the Armenian community and spoke about Armenia and Artsakh.

Gorbachev's chief economic adviser rose to the podium in midst of roaring applause. Vahram Hayrabadian, the president of the local AGBU chapter made an opening speech and welcomed Aganbegyan. Mr Jose Yusufian read a brief biography of Aganbegyan. Aganbegyan spoke in Russian stating that he has forgotten the Armenian he learned during his childhood in Tbilisi. However, throughout his speech he clearly expressed his strong advocacy for the Artsakh cause in plain terms.

Aganbegyan began his address by stating that there are three principal factors which make Armenia's economic reconstruction and development difficult: the earthquake, Armenian refugees deported from Azerbaijan and the Artsakh problem.

Stating that he was in Armenia's disaster zone 2 weeks before his arrival in Argentina, Aganbegyan said that there are no longer any people who are living under tents in that region. He added, however, that the situation remains grave because many people still live wherever they can find shelter. He added that it has been promised to house all refugees before next winter. Stating that the earthquake disaster has been compounded by the problem of the Armenian refugees who have been deported from Azerbaijan by force, Aganbegyan noted, however, that these 270,000 refugees are well organized, that they have their own infrastructure, committees and commissions and that they are even planning to build a city on the shores of Lake Sevan, "a environmentally clean place." Aganbegyan expressed concern about the situation of the 5,000 Armenians who remain in Baku. He said that their situation is "terrifying," that although the police tries to protect them they are subject to daily threats, assaults and violent acts and that their exodus continues. With regard to Artsakh, Aganbegyan said in plain words that the latest decision of the USSR Supreme Soviet has dismayed the people and referred to the recent well-known decision of the Armenian Supreme Soviet and the Artsakh National Council. Stating that practical measures for unification are currently being taken, Aganbegyan mentioned among them the merger of cooperatives and industrial enterprises in

Artsakh with their counterparts in Armenia. He added that the Azeris have also been dismayed by the USSR Supreme Soviet decision and are demanding the abolishment of NKAO [Nagorno Karabakh Autonomous Oblast]'s autonomy. Aganbegyan said: "However, Azerbaijan has already lost Artsakh. Now it is necessary to implement the unification decision." Aganbegyan underscored the damage that the Azerbaijani blockade has caused to Armenia's economy. He said that the total economic damage must be calculated and that the perpetrators of the blockade must be tried. He also accused the central authorities of indecision on this matter—"as in the case of Sumgait." He said that because of this indecision the people of Armenia have been disillusioned with Moscow and the central media creating strains whose worst consequence is the loss of hope and faith in the future.

After outlining the present circumstances, Aganbegyan talked about the future. He said that these are critical days for the entire Soviet Union and that a decision has been made to allow each republic to determine and to arrange its own financing and to organize its autonomy. In the case of Armenia, Aganbegyan underscored the issue of environmental preservation. He expressed delight over the decision to close the [Medzamor] atomic power plant and other polluting factories in Armenia. He spoke about the Nairit chemical plant which the people want closed but which the central authorities refuse to close because it is the only factory of its kind in the entire union. He added: "Even so, I believe that this factory must also be closed." Referring to plans to rebuild Armenia's economy, Aganbegyan spoke about the practical aspects of the plan to turn the Armenian republic into a free trade zone. He stressed the need to cut taxes, the adoption of a more liberal constitution, the opening of an international bank, the internationalization of Zvartnots airport, the granting of dual citizenship rights to Armenians [from the Diaspora], the liberalization of requirements for entering Armenia and the creation of consular-level missions in countries with large Armenian communities. He said that the strongest defender of this promising plan in the high circles of Moscow is Stepan Sitaryan. Aganbegyan also referred to the Diaspora's role in the reconstruction of Armenia and spoke about the opening of a business school in Yerevan with help from Armenian-Americans and investments by Diaspora Armenians. He said: "Unfortunately, these plans are proceeding very slowly. What Armenians lack most fundamentally is organization. We have no leaders who have organizational skills."

Responding to a question on the nationalities problem in the Soviet Union, Aganbegyan said that the restructuring movement did not take the importance of this issue into account and could not foresee what has happened. He said that Gorbachev had devoted only a small paragraph to this issue in his position paper. He said: "When the Artsakh issue came up, I prepared a report which stated that the NKAO must be returned to Armenia. Unfortunately, the central authorities could not make a quick and final decision, even after Sumgait, and the problem

grew more complicated." He said that his position deeply angered Baku and the Azeris and that he receives death threats until now. He added, however, that Baku cannot do anything to roll back the decision to unify NKAO with Armenia, because the people of Artsakh would not obey its orders. He said that the unification process can be derailed only by acts of sabotage. To guard against such acts, Aganbegyan underscored the need for the construction of additional roads and communication links between Armenia and Artsakh and measures to change Armenia's condition of being dependent on Azerbaijan for 85 percent of its supplies. He talked about plans to expand roads between Armenia and Georgia, to use Batumi and Poti as ports for Armenia, to reinforce the Stepanakert airport, to build new roads between Armenia and Artsakh and to provide economic assistance to Artsakh. He said that one problem that remains is the fate of the R400-million assistance package that was allocated for the economic strengthening of Artsakh. He said that that allocation was put at the disposal of the Volski commission and that after that commission was dissolved by the latest USSR Supreme Soviet decision no determination has been made about who has responsibility over that fund.

#### **Conference on Economic Reform Held in Yerevan**

*46050009B Paris GAMK in Armenian 15 Dec 89 p 1*

["Communique on the Work of the Yerevan Scientific Conference on the Economic Strengthening of Armenia"]

[Text] Approximately three months ago, the Armenian press of the Diaspora reported a meeting that was held between Soviet Armenia's prime minister, V. Margaryantz, and prominent personalities from the Diaspora. Among the issues discussed at that meeting was the examination of the economic strengthening of Armenia with the collaboration of experts from Armenia and the Diaspora.

Following up on the decision of that meeting, the Council of Ministers and the Gosplan of the Armenian SSR [Soviet Socialist Republic] organized a scientific conference in Yerevan from 1 through 8 December. Attending the conference by special invitation were, Messrs. Garo Armenian from the United States, Vahan Zanyan from the United States, Ishkhan Mardirosian from France, Tsolak Momjian from Jerusalem, Khachik Babikian from Lebanon and Hrair Boyajian from the United States.

During the said conference, officials from Armenia and representatives of business and scientific circles in the Diaspora presented ideas on seeking and planning ways of strengthening the Armenian SSR economically and modernizing its infrastructure. At the conclusion of the conference, the participants agreed:

"Given the issues and themes presented by the experts of the Republic, it is essential to carry out a socioeconomic analysis of the present state of the Republic's popular economy and prospects for its development with an eye

to the rapid alleviation of the consequences of the earthquake; the stabilization of the economy by restructuring the Republic's industrial and agricultural framework and by boosting productivity dramatically with the help of domestic and foreign modern technology; and the mobilization of the Republic's ministries, directorates, institutes and enterprises to undertake foreign economic activities with the purpose of attracting convertible currencies to the Republic's popular economy.

"By 1 March 1990, the aforementioned experts will present to the government their conclusions, proposals and recommendations on the ways and prospects of restructuring the Republic's economy.

"On the basis of the themes and recommendations presented, the government of the Armenian SSR will formulate a plan which sets the norms, methods and means to restructure the Republic's popular economy rapidly, to bring it up to modern standards and to achieve its greater integration through ties with the world economy."

The experts participating in the conference had a lengthy meeting with Prime Minister V. Margaryantz who expressed the hope that "our coordinated efforts will produce results and will contribute to the prosperity of Mother Armenia."

On returning from Armenia, the participants from the Diaspora announced that they will draft a plan aimed at strengthening Armenia as soon as possible and submit it to the Armenian government for evaluation and consideration.

As soon as the plan is endorsed, all the resources of the Diaspora will be mobilized to enable the commissions to be created with the participation of pan-Armenian forces, businessmen and experts to prepare the climate necessary to attract the international—and particularly Armenian—investments for the restructuring and economic strengthening of Armenia and to take the steps needed for the implementation of these plans.

The obsolete standards of Armenia's heavy industry, the worn-out condition of its light industry, the extremely primitive and unattractive offerings of its tourism industry—one of Armenia's important economic resources—the backwardness of its agriculture, the bottlenecks and the sluggishness caused by all-Union centralization in its economic enterprises, a bureaucracy which promotes indolence and which impedes the swiftness that is needed for modern economic development and other similar factors are the principal economic problems. The conference participants have agreed to seek ways of alleviating these problems.

The plan to be prepared by Diaspora experts for the strengthening of Armenia will seek to build an economic and scientific foundation which will allow the development of modern agriculture and industry (particularly electronics and computers); the raising of medical sciences to world standards by creating medical treatment facilities which are outfitted with modern equipment

and staffed by trained personnel, which can achieve international reputation and which can train qualified specialists; the enhancement of Armenia's construction stone industry and exports to international standards; the modernization of Armenia's banking system; the implementation of the construction technology of advanced nations (within the framework of Europols plans); and the establishment of practical means of communication with the outside world to neutralize any threats of economic blockade against Armenia.

Naturally, the success of the results of the conference and the steps that will follow it largely depend on the degree of commitment and the positive approach to be demonstrated by Soviet Armenian authorities and the Diaspora experts.

[Signed] Press Information Center, 12 December 1989.

#### **Ramgavar Party Calls for Support of 'Statehood'**

46050008C Beirut ZARTONK  
in *Armenian* 29 Nov 89 p 2

[Editorial: "Consolidating Our Statehood"]

[Excerpt] [Passage omitted] After 69 years of military and political security and the illusion of economic security, today, the average Armenian finds himself insecure in his own homeland and republic and sees his national economy—the chief source of his future prosperity—threatened. He sees his homeland in a state of dependence imposed by 7 decades of totalitarianism and feels himself robbed of his national sovereignty rights. The new movement of decentralization, which has been initiated from above and which was dreamed of for so long, has forced him to face the imperative of finding autonomous ways and means of development when he has neither the means nor the experience to have them. Day after day, the ordinary man in the Motherland realizes that the economy he has created is 95 percent dependent on other republics and countries and that 85 percent of his supplies come through the territory of a hostile republic. And yet, the man in the Motherland listens to the call of his blood and tries to reach out to his kinsmen in Artsakh and to merge with them. He tries to regain the Nakhichevan that was seized from him. He tries to gather around him the 2-million-strong "internal Diaspora" and to save it from fading away. But he finds himself unprepared and his forces inadequate even to overcome the old and new difficulties at home. And misguidedly, he directs his criticism against his own state and its representatives, blaming them for even the sins they have not committed and forgetting and denying the lasting benefits they have created.

It is true. Today the Armenian state is in an unenviable and difficult position. It has to overcome internal and external pressures and economic and physical threats. At the same time, it has to feed the people, to rebuild the devastated areas and to provide the victims of the earthquake and the refugees with jobs and housing. It also has to find the means for the future development of

the Armenian republic and to take advantage of the present favorable conditions to create a sovereign state.

Today is a time of truth, free speech and candor. What is at issue today is not the rescue of a system of government, but the survival of our statehood. In our view, the fact that we would be helping to consolidate the present system of government by helping the Armenian state—which is what some circles in Armenia think today—is of little relevance. Systems of government are always subject to change, but the state, as the indispensable edifice of national existence and development, cannot be changed because statehood cannot be changed; it either exists or does not exist.

This has been the stance and active policy of our party, the Democratic Liberal [Ramgavar] Party, toward the Armenian state whether it is under a Soviet or other system of government. Others may want to see there a government which is compatible with their views. We, too, would like to see the embodiment of our views there. But at this moment in time—and, for that matter, at any moment in time—the issue has nothing to do with what we like or do not like; politics has little to do with what we like. Politics is the art of the possible, and, in the present circumstances, we do not see any possibility for the establishment of a new system of government in Armenia; but we see great possibilities for the reformation of the present regime through a natural and internal evolutionary process.

Consequently, we support the present authorities of Soviet Armenia knowing that it represents our national statehood for the foreseeable future. We support it in its aspirations for nationization, democratization and sovereignty, knowing full well that this way we consolidate the Armenian state which was created on 28 May 1918 and which was guaranteed by the act of 29 November 1920; the foundations of our nation's physical security, growth and economic and spiritual prosperity; and the cornerstones of our nation's future development and the realization of our national dreams.

It is the triumph of this concept of ours that we see almost everywhere across the entire Diaspora today. We are confident that this approach will also eventually triumph in our Motherland. Then the Armenian people will rise to a higher level in its political thinking and will set to the work of consolidating its own statehood with more vigor.

#### **Contacts With Turkey Reported, Deplored**

##### **Talks With Turkish Provincial Officials**

46050009C Istanbul MARMARA  
in *Armenian* 29 Nov 89 pp 1, 4

[Excerpt] GUNES correspondent Midhat Sirmen reports that Soviet Armenian officials have unexpectedly contacted Turkey asking for assistance and the opening of a passageway through Turkey to Armenia to foster trade relations. [The report says:]

The blockade imposed by Azerbaijan around Armenia has created severe difficulties in Armenia which can receive food supplies only by air. Even the air bridge that has been established between Moscow and Yerevan for this purpose is inadequate, and, as a result, local authorities in Soviet Armenia unexpectedly contacted the Office of the Governor of Kars and asked for a meeting. Responding to this request, the district heads of Kars and Igdir had a meeting with Armenian officials on the border. These talks have been under way for some time. The most recent meeting was held yesterday, on Tuesday, and the issue of border trade was discussed. The Armenians requested that a passageway into Nakhichevan be opened as soon as possible to enable them to receive food and livestock supplies through that corridor. This would give Armenia some breathing room.

The Kars authorities passed on the Armenian request to Ankara pointing out that the opening of a passageway into Nakhichevan needs a political decision. That issue can only be resolved through talks between Ankara and Moscow. [passage omitted]

#### **'Cool' Turkish Response Reported**

46050009C *Istanbul MARMARA*  
in *Armenian* 30 Nov 89 p 1

[Text] We reported yesterday that Soviet Armenia is holding talks with Turkey to open a new passageway through Turkey and to obtain its food supplies and other basic necessities from Turkey. GUNES, which carried this report yesterday, reports today that Ankara has given a cool response to this proposal from Armenia. Diplomatic circles point out that the talks are still continuing but that no decision has yet been made. [GUNES reports:]

Foreign Ministry spokesman Murat Songar said in response to a question yesterday that the issue is on the agenda of talks that are being held with the Soviet Union with regard to border trade between the two countries. Armenia wants the opening of new passageways between Turkey and Armenia. A passageway has been proposed to run through Nakhichevan to Armenia's southern regions and on to Azerbaijan. Armenia also wants a direct road between Kars and Leninakan, which would greatly ease trade exchanges between Turkey and Soviet Armenia. Such a link would help Armenia significantly in view of the Azeri blockade.

However, Ankara does not feel very sympathetic about these proposals. Diplomatic circles note that it is difficult for the government to take such a decision because it would deeply upset Soviet Azerbaijan.

#### **Contacts Seen Hurting 'Basic Interests'**

46050009C *Paris GAMK* in *Armenian* 20 Dec 89 p 2

[Article by G. Shushanian originally published in Montreal HORIZON: "Ties Between Soviet Armenia and Turkey Hurt Armenia's Basic Interests"]

[Excerpts] Echoing a 30 November 1989 report by the Turkish daily GUNES, Istanbul MARMARA says: "Turkey has given a cool response to Armenia's proposals. A new passageway to Armenia would upset Azerbaijan."

The Soviet Armenian "proposals" concern the development of economic ties with Turkey and the opening of a passageway from Turkey for that purpose.

Commenting on this issue, Soviet Armenia's foreign minister Anatoliy Mkrtchyan said in an interview published in KHORHRTAYIN HAYASTAN on 21 November 1989: "Our position with regard to Turkey is determined by internationally accepted norms on relations between two neighboring nations. Obviously, the Armenian people have not forgotten or forgiven what happened in the Ottoman Empire at the turn of the century. The decision recently endorsed by the Armenian Supreme Soviet demonstrates that sentiment (apparently referring to the Supreme Soviet's 22 November 1989 decision to commemorate and recognize the Armenian genocide, G. Sh.). Even so, I believe that it is essential to examine the issue of establishing mutually beneficial trade ties with the Turkish Republic. For example, border trade and the development of transportation links between the two countries are in the interests of our Republic." [passage omitted]

It is unfortunate that Soviet Armenia's otherwise experienced foreign minister could not foresee Turkey's response. Like some of the leaders of the Soviet Armenian popular movement and by a coerced turn in thinking, he ignores the coordinated pan-Turkish assault that Soviet Azerbaijan and Turkey have mounted against Armenia. This pan-Turkish campaign is evidenced not only by "Turkey's cool response to Armenian proposals" but by the Turkish proposal that the passageway from Turkey to Armenia pass through Azeri-ruled and Turkish-inhabited Nakhichevan and to extend to Zangezur and on to Soviet Azerbaijan. Evidently, the aim of this proposal is to neutralize Zangezur which forms an obstacle to the merger of Azerbaijan with Turkey, because a passageway through Nakhichevan and Armenia already exists on the Ararat Plain while communication between Nakhichevan and Azerbaijan takes place through the Soviet border and via the Azeri railway that passes by Mekhri in southern Zangezur.

Mkrtchyan's remark that "border trade and the development of transportation links [with Turkey] are in the interests of the Republic" and similar views by others which disregard Armenian interests are unfounded and dangerous. They are unfounded primarily because it is not clear what interests they are referring to. This posture, which has been formulated under the pressure of the extremely grave situation that has been caused by the Azeri blockade, is motivated by the desire to reduce Armenia's nearly complete dependence on Azerbaijan for its exports and imports. However, it ignores the other reality that the Azeri attempt to choke Armenia is only

one arm of the Turkish anti-Armenian policy. Consequently, even if a direct passageway between Turkey and Armenia temporarily alleviates the pressure of the Azeri blockade around Armenia and serves certain political and propaganda motives, it would in fact push Armenia further into the pan-Turkish pincer while giving a false sense of security. Those who speak in favor of cultivating trade ties with Turkey must first answer the following question: What would Turkey's interest be in such a relationship? The answer is that its interest would be political. All of Turkey's economic relations, whether they are with North America, Western Europe, the Islamic world or the Soviet Union, are based on, or at least used for, political purposes. Turkey's economic relations with North America and Western Europe have been, continue to be and will certainly be used to conduct an anti-Armenian policy. Given that reality, Soviet Armenia must not only refuse to consider the Turkish alternative, but must be concerned by economic initiatives Turkey may undertake with Armenia's neighbors, Soviet Georgia and Soviet Azerbaijan, in particular and the Soviet Union in general. One should not doubt that Turkey will use these relations, too, for anti-Armenian political goals—if it is not already doing so.

To extricate itself from the pan-Turkish pincer, Soviet Armenia must focus on the Georgian and Iranian alternatives in addition to initiatives to make the country

self-sufficient. Coming out of the Turkish pincer is a must if Mkrtchyan's remark that "the Armenian people have not forgotten or forgiven what happened in the Ottoman Empire at the turn of the century" is to have any meaning.

In the light of these statements by A. Mkrtchyan and the associated talks with Turkey and knowing that the Armenian Pannational Movement [APM] party approves this posture, we are led to wonder whether it is for the "favorable" conclusion of these talks with Turkey that the appropriate commission of the Armenian Supreme Soviet, which is headed by APM representative Grachik Simonyan, has not yet completed its study of the issue of the "political and legal evaluation of the 16 March 1921 Russian-Turkish treaty." Similarly, what motivated A. Mkrtchyan to make a declaration on 9 December describing the said treaty—which ceded Armenian territories to Turkey and Azerbaijan—as "imperialist" but underscoring, "I am not raising the issue of Armenian territories as part of our foreign policy"?

Circles which are purportedly aspiring for Armenian sovereignty must rid themselves of the delusion that the way to shake off blind subservience to Russia or the Soviet Union is to foment trust in Turkey. Armenian sovereignty can only be built on a foundation of Armenian interests and resources.

## REGIONAL AFFAIRS

### Economic Cooperation Conference Planned

90OA0248A Casablanca LA VIE ECONOMIQUE  
in French 1 Dec 89 p 30

[Article: "Results of BCM's [Commercial Bank of Morocco] Morocco-Algeria Conference: Similar Conference To Be Held in 1990 in Algiers"]

[Text] The recent Morocco-Algeria economic conference sponsored by the Export Club of the Commercial Bank of Morocco was significant in several respects:

- first of all, the 21-23 November conference capped the festivities surrounding BCM's International Month, which involved several sizable events to highlight all the efforts the bank has made in the international arena;
- it helped promote Maghrebian unity as well as implementation of the economic accords and conventions concluded between Morocco and Algeria;
- finally, it came at a time when the banks of the Maghreb, meeting in Casablanca on 21 November, were laying the foundations for financial cooperation between the Maghrebian countries.

It was also the first time since June 1988, when relations were resumed between Morocco and Algeria, that a delegation composed of 35 presidents and general managers of the biggest public sector and private enterprises in Algeria—leading off with the Bank for Agriculture and Rural Development [BACR] and Public Credit of Algeria—have come to Morocco on a commercial mission. The agenda for the mission emphasized direct business contacts between Moroccan and Algerian enterprises (eight meetings were set up for each Algerian company).

The most important sectors of the Algerian economy were represented: agriculture, agro-industry, chemicals, advance chemical processing, mining, plastics, IMME [expansion unknown], the paper and cardboard industry, the glassware and ceramics industry, and telecommunications.

During the conference the Algerian businessmen held some 250 individually scheduled meetings with the top officials of some 120 Moroccan companies in the import and export fields.

The meetings between Moroccan and Algerian businessmen established the fact that there is a real willingness not only to strengthen mutually beneficial trade relations but also to exploit all the economic opportunities cooperation makes possible.

In terms of commercial transactions, in addition to contracts concluded by the two sides for the purchase and sale of raw materials and finished products, it became clear that joint commercial action offers the best prospects for negotiating better terms and purchasing raw materials and semimanufactures in international

markets. This is certainly true in the fields of chemicals, grain, fatty substances, wood, etc.

There are notable differences between the two countries' industrial plants—Algeria has large complexes, while Moroccan facilities are generally medium-sized—but several areas of complementarity have been identified:

- mineral processing plants in Morocco could refine the Algerian ore needed for Algeria's steel industry;
- existing foundry capacity in Morocco could be used in such a way as to optimize Algeria's machine tooling capabilities;
- Morocco could process some of the raw materials that enter into the manufacture of chemical products (aluminum sulfate).

During the final session, which was held at bank headquarters on 23 November and attended by businessmen and bankers, several additional thoughts were advanced:

- since the Morocco-Algeria conference proved a useful way to discover overall prospects for complementarity within the sectors participating in that particular mission, a similar event—but broader in scope—should be held to bring together representatives of all the Algerian and Moroccan economic sectors;
- the banks' participation was an important factor in the success of the conference. They made an undeniable contribution in the areas of organization, finance and information.

Also, the Algerian business representatives asked BCM's Export Club to provide Moroccan companies with essential information about the restructuring now under way in Algeria, especially information pertaining to:

- the managerial autonomy granted to state-owned enterprises;
- the uncertain future of the state import monopolies;
- the reorganization and liberalization of external trade;
- the increasing activity of the private sector.

A special Export Club letter about recent Algerian economic reforms was distributed to BCM's major international trading clients.

The Algerian banks, for their part, are reportedly urging Algerian businessmen to promote Moroccan products.

It should be noted that trade between Algeria and Morocco received new impetus earlier in 1989 with the signing of the 14 March commercial convention and the 15 May payment agreements.

No products were excluded from the purview of the commercial agreement. Any goods can circulate duty free on the condition that they satisfy the rule of origin, which requires at least 40 percent of the total value to be added locally.

The payment agreements regulate the settlement of commercial trade accounts between Morocco and Algeria in

accordance with the currency regime in effect in each of the two countries, thus removing some of the financial constraints from commercial dealings.

Also, BCM—with its access to substantial lines of financing through foreign correspondent banks—will be able to take an active role in commercial transactions between Morocco and Algeria.

Furthermore, it became apparent that the banks, in addition to financing per se, were going to promote cooperation in the form of joint ventures involving companies based in both countries.

In that connection, all the ideas that were discussed about establishing joint projects in the fields of chemistry, printing, and IMME will be developed and refined further as soon as the new Algerian regulatory framework governing foreign partnerships is promulgated.

The success of this event, despite the persistence of various regulatory hindrances, proves that economic cooperation between Morocco and Algeria is beginning to take off. To such an extent that all the participants proposed to the banks in attendance that a similar event be held in Algiers in 1990 to keep up the contacts already established in Morocco and open up new prospects for industrial, commercial and financial cooperation.

#### **UAE Agrees To Finance Sudanese Farm Projects**

44000167A *Dubayy KHALEEJ TIMES*  
in English 12 Dec 89 pp 1, 3

[Excerpt] Abu Dhabi—The United Arab Emirates yesterday agreed to finance grand irrigation and agricultural projects in Sudan, said Lieutenant-General 'Umar Hasan Ahmad al-Bashir, Chairman of the Sudan's Revolutionary Command Council.

Gen al-Bashir said at a Press conference in Abu Dhabi that his official talks with the President, His Highness Shaykh Zayid Bin-Sultan Al Nuhayyan dealt with all areas of possible cooperation including economic, cultural, industrial and security," Gen al-Bashir told reporters.

The talks held at the Presidential Court, also covered joint agricultural ventures for the interest of both countries and the Arab world, he said.

"His Highness Shaykh Zayid issued his directives for setting up joint ventures in Sudan along with other Arab states, for food production," Gen al-Bashir said.

The agricultural projects which the UAE [United Arab Emirates] will finance included digging water reservoirs at the Blue Nile, Abra river and in the northern province, he said.

These projects, Gen al-Bashir said, will increase Sudan's production of wheat, vegetable and fruits, pointing to the

grand natural potential for Sudan which can if properly used, satisfy the need of the Arab world. [passage omitted]

#### **'Ali Nasir Followers To Form 'Democratic Unionist Party'**

44000170 *Abu Dhabi AL-ITTIHAD*  
in Arabic 2 Jan 90 p 1

[Text] Sanaa—The groups loyal to 'Ali Nasir Muhammad, former president of the People's Democratic Republic of Yemen, PDRY, have decided to call the new political party, which they announced yesterday after 'Ali Nasir Muhammad renounced political life, the "Democratic Unionist Party" [al-hizb al-wahdawi al-dimuqrati]. A statement issued in Sanaa yesterday notes that this name has been chosen in harmony with the draft constitution of the unity state and with the new political situation in the Yemeni arena after the historic Aden agreement was signed on 30 November last year.

The statement adds that the old Central Committee of the Yemen Socialist Party, "the legitimate leadership," will be considered the founding body of the new party until the first general congress of the party convenes. The Central Committee will complete the preparations for the convening of the congress by laying down the political program and the bylaws and present them to the political cadres for discussion at the proposed general congress.

The statement praises the responsible national stance adopted by former President 'Ali Nasir Muhammad through his abdication from political life. The statement considers this decision a courageous response from a brave man to a national policy related to a cause for which he made many sacrifices; that is, the reunification of Yemen.

#### **Kuwait Extends Agricultural Project Loan to PDRY**

44000172 *Aden Domestic Service*  
in Arabic 0330 GMT 21 Dec 89

[Text] A final loan agreement was concluded yesterday evening at the Ministry of Agriculture and Agrarian Reform between our country and the Kuwaiti Fund for Arab Economic Development to fund the third stage of the Wadi Hadhramawt agricultural scheme.

According to this agreement, the Kuwaiti Fund will offer our country a loan worth 3.5 million Kuwaiti dinars, equivalent to \$11.9 million, to participate in funding the scheme.

The agreement was signed on the Yemeni side by Brother Dr. Ahmad 'Ali Muqbil, agriculture and agrarian reform minister, and on the side of the Fund by Brother 'Abd-al-Wahab al-Badr, deputy director general of the Kuwaiti Fund for Arab Economic Development.

### **Saudis To Finance al-Basrah Hospital, Electricity Projects**

44000173 *Baghdad INA in English*  
1535 GMT 13 Dec 89

[Text] Baghdad, Dec 13, INA—Mr. Muhammad 'Abdallah al-Suqayr, deputy chairman of the Saudi Development Fund, left here today concluding a five-day visit.

Mr. al-Suqayr told INA that he had signed, during his visit, an agreement on financing the construction of the 400-bed al-Basrah General Hospital by a loan of 150 million Saudi riyals.

He added that the fund will also contribute 200 million Saudi riyals to finance the al-Basrah Electricity Network Project.

### **Maghrebian Bank Conference Drafts Changes**

900A0248B *Casablanca LA VIE ECONOMIQUE*  
in French 1 Dec 89 p 22

[Article: "Recommendations of the Second Conference of Maghrebian Banks"]

[Text] The second conference of Maghrebian banks was held on 20-21 November in Casablanca. Most of the agenda was taken up by the work of specialized committees. Following are the recommendations adopted by the commercial relations and investment committees. In our last issue we published a general overview of the conference.

#### **Committee on Investments: Better Coordination of Incentives**

The committee on investments, after reviewing the recommendations of the Casablanca meeting of 18-19 May 1989, has formulated the following recommendations:

#### **Harmonization of Investment Codes**

The committee examined the summary table of Maghrebian investment codes prepared by the Moroccan Professional Banking Group [GPBM] on the basis of data it was provided.

The disparities that exist with respect to the conditions and incentives contained in each country's investment code convinced the committee to emphasize the need for more flexibility in the regulation of Maghrebian capital investment in the countries of the Arab Maghreb, while also facilitating the free movement of capital between countries and improving the incentives for Maghrebian capital.

#### **Guide to Investment in the Arab Maghreb**

It has been ascertained that some of the countries in the Arab Maghreb have not yet published an investment guide. The committee recommends that those countries that already have these guides distribute them to all the

banking associations and banks in the Maghreb, and that the other countries move quickly to prepare and distribute one.

#### **Information Exchange Between Banks in the Maghreb**

Taking cognizance of the Tunisian Professional Banking Association proposal to create an economic and financial data bank, the committee decided first of all to submit the idea to the Maghrebian banking associations and the banks for suggested additions and revisions, then to entrust to a working group of Maghrebian experts the task of drawing up a final proposal outlining both its capabilities and the resources required for its realization, with a view to submission at the next meeting of the investment committee.

#### **Directory of Maghrebian Banks**

The GPBM proposed the preparation of a directory of Maghrebian banks. The Maghrebian associations and banks accepted the proposal and decided to send all the relevant information about banks operating in each country to the GPBM as quickly as possible.

The GPBM undertook to take care of printing and distributing the directory.

#### **Organization of Maghrebian Investment Conference**

The committee acted favorably on the proposal by the Libyan banks to hold a February 1990 colloquium in Tripoli on investment promotion in the Arab Maghreb, in cooperation with the Arab Investment Underwriting Corporation.

The committee urged the banks of the Maghreb to participate actively in this conference. It also recommended organizing a meeting of Maghrebian investors, whose participation should be encouraged by Maghrebian banks and professional associations.

#### **Periodic Meetings of the Committee**

In keeping with the decision by the investment committee to hold annual meetings, it was decided to hold the next meeting in Tunis in May 1990. The Tunisian Professional Banking Association will take charge of organizing the meeting.

#### **Endorsement of the Algiers Recommendations**

The investment committee, reviewing the recommendations it had made at its meeting in Algiers, which were endorsed at the Casablanca meeting, concluded that increased Maghrebian investment activity in the countries of the Maghreb depends on the willingness of the authorities to implement those recommendations. However, the banks themselves can take the initiative in implementing some of those recommendations, such as the identification of projects of common interest and the trading of shares among the Maghrebian banks.

**Commercial Relations Committee: Promoting Circulation of Goods**

At the opening session, committee members recalled the recommendations issued at the October 1988 and June 1989 meetings held in Algiers. They noted with approval the increasing number of bilateral payment agreements negotiated between countries of the Maghreb and expressed satisfaction with the progress made by the committee in various fields of endeavor where trade promotion could be beneficial.

Proposals in these areas sparked serious discussion, and the following ones were submitted to the plenary meeting:

**Creation of a Maghrebian "Forex" [foreign exchange trading group]**

The proposal submitted to the committee should be studied by the various banking establishments, and suggested revisions should be forwarded to the Tunisian delegation before 31 January 1990.

The organizational congress of the Forex will be held in Tunis in March 1990.

Among the matters the Forex would be asked to consider are:

- its own by-laws;
- the document on international bank underwriting that the Algerians prepared;
- standardization of forms and procedures used in international trade;
- ways to promote more widespread use of modern telecommunications technologies (Swift, Telefax...).

**Establishment of a Conciliation Board**

This body could be set up under the aegis of the Maghrebian Professional Banking Association.

**Creation of a Data Bank**

The Moroccan participants are tasked to make a fresh approach to the Islamic Trade Promotion Center (CIDC) with a view to obtaining the latter's concrete proposals for cooperative endeavors.

The GPBM should communicate these proposals to all the banks in our countries.

During the very animated discussion that followed—a discussion further enhanced by the presence of several bank presidents—various other points were raised concerning coordinated implementation of the measures envisaged within an adequate organizational framework.

The following new proposals were offered:

- Expedite establishment of the Maghrebian Professional Banking Association, which would be renamed the "Banking Association of the Arab Maghreb." This should be completed before the scheduled proceedings of the Forex in Tunis in March 1990. To that

end, it was suggested that representatives from each country be officially designated at the plenary session so they can get started. Their work, including a proposed implementation schedule, should be completed by no later than 31 January 1990, in order to be submitted to the Maghrebian banks for approval;

- In conjunction with the socioprofessional associations, the banks should start holding meetings with the private sector in each country;
- Plan for the time when any Maghrebian bank can own stock in any other Maghrebian bank. Work toward an eventual opening of the banking market in each country to the other Maghrebian banks;
- In the expectation that a data bank will be created, set up a pool of information containing facts on foreign trade regulations and basic economic data for each of the Maghrebian countries. It is suggested that this task be entrusted to a group consisting of representatives from each country (associations or financial intermediaries) to be selected by each delegation at the plenary meeting.

Given the low level of commercial activity among the countries of the UMA [Arab Maghreb Union]—a level still far below existing potential—committee members emphasized the need to take action on the various recommendations and work energetically to accelerate the process of economic integration already under way, which today has become a vital necessity for our region.

**PALESTINIAN AFFAIRS****Political Figures Polled on Intifadah**

*90OL0157A Paris AL-YAWM AL-SABI'  
in Arabic 11 Dec 89 pp 16-19*

[Article: "The Intifadah in Its Third Year; the Intifadah, Event of the Time and We Have Been Remiss"]

[Excerpts] Answers given by scores of Arab writers, politicians, and intellectuals in reply to AL-YAWM AL-SABI's poll on the intifadah [the Palestinian uprising] in the occupied territory, which is going into its third year, had almost the same gist: that the intifadah is a great event in contemporary Arab history, and that it has achieved significant political and field accomplishments. However, the Arabs, governments and peoples, so far have not supported this event with the required energy. AL-YAWM AL-SABI' wanted this poll to include all the Arab countries and all those who express the sentiments of Arab intellectual, political, social and youth organizations, but unfortunately we did not receive many of the replies we were expecting.

AL-YAWM AL-SABI' addressed the following three questions to scores of Arab intellectual, cultural, and political leaders:

- After two years of the intifadah, can we ask the intifadah to offer new accomplishments and new sacrifices to force Israel to acknowledge Palestinian objectives?

- Do you believe that the role the Arabs are required to play in support of the intifadah is a political or financial one?
- Do you believe that the Arab performance, officially and popularly, in support of the intifadah to help it realize its political objective has been adequate?

In addition to these three questions, AL-YAWM AL-SABI' directed the following two questions to leading personalities in the occupied territories:

- Israel has tried to insulate Israeli society against the effects of the intifadah. Has it succeeded in doing that?
- What has the intifadah done in terms of relations between the West Bank and Gaza Strip inhabitants, on the one hand, and Palestinians living in the state of Israel, on the other hand?

Sarri Nusaybah (professor of philosophy, Bi'r Zayt University):

#### Declaration of Provisional Government to Complete Accomplishments

1) Not only can we ask more from the intifadah at the beginning of its third year, but it is indeed imperative that we do not shy away from or hesitate to go forward with the struggle march and to help it grow in order to achieve its goals of freedom and independence. Our understanding of the nature of the revolutionary interactions that are actually taking place must continue to be the basis and essence of our evaluation of what the intifadah is capable of doing.

Unlimited horizons have burst open to enrich the Palestinian effort. Broad segments of society have broken the sound barrier and cut through indecision and backward and repressive customs and values, imposing their presence and declaring their determination to take personal charge of their own destinies (...) [as published]. We have multiplied many times over Palestinian society's output capacities, capabilities, and potential for giving. Indeed, I might say that in this intifadah we have taken the first step to embark on an upward march on the road to success and victory.

The next and concluding phases of this process are an integral part of it. It is wrong to think that it has accomplished its goal. Indeed, it is imperative that we push this process forward until the hour of birth. In this domain I believe that the intifadah's strategy, built on the basis of translating principle into a course of action, has carved the way for breaking away from the occupation apparatus and for laying down the structure for a national authority with a view to realizing independence. It is at a stage now where a bold and daring decision ought to be made to establish firmly its preceding accomplishments and to lay the foundation for subsequent developments. This can be done by announcing the formation of a provisional government which is tantamount to a broad bureaucratic apparatus comprised of tens of thousands of people working in Palestinian

institutions inside and outside the occupied state as another step toward the consolidation and legitimization of the growing Palestinian form of independence, toward the normalization of the PLO presence and continuity in the occupied state, and toward the unification and rallying of Palestinian action within the declared state. There is no doubt that normalizing the independence of the Palestinian field presence will lead us to a point where Israel will be compelled to admit that there is no alternative to creating an equation for coexistence between it and the Palestinian state.

2) The required Arab role is a political, moral, and financial role. Politically, persistent efforts must be taken to rouse the Western World and the United States to recognize the Palestinian people's right to self-determination and to consolidate recognition of the PLO and develop diplomatic relations with it. We know that the response will be as great as the demand is serious and persistent, taking into consideration the ties and interests binding certain Arab countries and Western governments. Morally, media and popular activities and endeavors undertaken in solidarity with the intifadah ought to be expanded and developed. For example, schools in various Arab countries can "adopt" schools in the occupied state or can "adopt" certain camps. Financially, we hope that affluent Arab countries will continue to offer aid in coordination with the PLO.

3) We in the occupied territories do not know any details about such matters and initiatives to make a judgment one way or another. On the other hand, the nature of the intifadah is such that we always want and ask for more.

4) The intifadah has caused an outburst in the Israeli mentality. I believe this represents a qualitative movement in the Israeli position. By this I do not mean, of course, that there is greater support for Palestinian rights or the other way around. Indeed, with respect to the two sides, supporters and opposers, their positions vis-a-vis a settlement have been further clarified and crystallized. What I mean is the great majority of Israeli society, Likud and Alignment alike, because of the intifadah have changed their attitude of apathy toward the Palestinian question to one that wants a solution to this problem. Here is where the capabilities I am talking about became manifest, for the mere thought that the question calls for a solution means that we, as a Palestinian party, can influence the direction and the development of such a thought. That is why I believe that we still have a duty and a great responsibility toward the Israeli mainstream to implant in the Israeli mind two synonymous facts. First, that a Palestinian state is inevitable and, second, that such a state does not pose a threat to Israel. Our mission may be to create a program or even special committees to study and monitor ways to influence Israeli society in a positive way. All available capabilities must be seriously considered, like, for example, using the more popular Israeli newspapers to transmit the Palestinian peace plan. If only neighboring Arab countries would help us in this regard, like, for

example, using the Hebrew broadcast on the Jordanian TV station to address wisely and prudently the ordinary man in order to convince him that the intifadah is not aimed, as Shamir contends, for example, at annihilating him, but rather, that it is a white revolution, a peaceful revolution, a constructive revolution.

5) Personally, I do not believe that the intifadah hitherto has changed the concepts prevalent in the Palestinian sector in Israel regarding the affiliation and responsibilities of this sector. Indeed, leaders in this sector are calling attention to the distinction between national affiliation and "affiliation with the establishment" in the sense that Palestinians in Israel are part of the Palestinian people, but they are also an integral part of the Israeli establishment. I believe that this understanding of the true state of affairs of Palestinians in Israel mirrors the growing fact that a settlement, should it be realized, will be based on the principle of establishing a state for the Palestinian people on part of the Palestinian homeland alongside the state of Israel. This ought not to mean, however, that Palestinians living in the other part, namely Israel, must relinquish the rights they have gained in the course of 40 years of continual struggle within the Zionist establishment. Rather, this clear concept has helped the Palestinian people in Israel to further their relations and augment their aid to and solidarity with their brothers in the occupied Palestinian state, without feeling that such solidarity or cooperation is bound to jeopardize their status and rights in Israel. [passage omitted]

Layth Shubaylat (member of Parliament and president of the Engineers Association in Jordan):

#### Cardinal Sin Against Intifadah

1) It would be a shame for us to ask the intifadah for anything, for the people of the intifadah are alive and we are dead. The dead do not speak to the living. Whereas the intifadah has shaken the enemy's state and the world, where have the Arab peoples, who have not yet been shaken, been? Pardon me when I say that the Arab peoples have become so bad that they seem to have joined with their governments which are not entrusted with the Palestinian cause, as evidenced by the fact that they have been content with being spectators and have taken the PLO explanation of the concept of sole and legitimate representative to mean that responsibility is confined to the PLO. This is a cardinal sin committed by individuals, groups, and governments.

2) The kind of support required for the intifadah does not give priority to the financial or the political aspect but rather to the action of the Arab Muslim masses and their active movement toward compelling their political leaders to put a stop to pressures exercised in the Arab arena against the Palestinian people's leadership.

3) No, not at all, unfortunately. [passage omitted]

Ma'mun al-Hudaybi (Egyptian People's Assembly member for the Muslim Brotherhood):

#### It is Not Fair for Us to Remain Spectators

1) We have no right to ask anything of the intifadah or its heroes because they have not undertaken the uprising to please us but rather to achieve the goals in which they believe. It is not at all fair for us to sit and watch them, to pass the time reading about them, or to fill our pages with articles on the intifadah, which may be a source of our livelihood and our income, while they sacrifice body and soul and subject themselves to tyranny every hour, night and day.

I believe, however, that the intifadah will go on, God willing, because its heroes are determined to attain its goals and achieve its purposes.

2) The Arab role in support of the intifadah is a political, financial, and psychological one, which means sacrificing the self, money, and all political power. Conversely, however, we still see that some Arab powers are trying to pressure the PLO to offer a new concession every day.

3) I believe that, from the popular point of view here in Egypt in particular, it has been almost nonexistent. Popular aid has been confined to meetings or some closed conferences which the people have not been aware of. Also, TV, radio, and the press have come out with official reports that have failed to arouse the people's enthusiasm and fervor or to inspire them to identify with this rare legend.

On the official level, in all these countries, we hear complaints from the president of the Palestinian state that assistance and promises made publicly by these countries have not been fulfilled. We expected much greater financial, medical, moral, and political backing in support of the intifadah, and not to try to find just any way out that can be used as a justification for putting an end to the intifadah.

Lutfi al-Khuli (secretary-general of the Afro-Asian Writers' Federation):

#### The Only Power Working for Nation's Interest

1) Who has the right to ask anything of the intifadah, be it at its field, central leadership, or overall mass level. So far, the intifadah is a living reality, and is expected to continue in the foreseeable future. Like any massive action of this magnitude, it follows a winding course of attack and retreat. As for the deed it has started and is still pursuing, it is the establishment of the Palestinian people's authority and state under the scourge of occupation, in spite of it and its repressive practices. The slogan it is raising now from a position of strength, represented in universal mass violence, is arrival at a political settlement within the framework of the current power relations in their local, regional, or international dimensions. The intifadah's motto, two peoples and two states, is besieging Israel, Zionism, the Likud, and Shamir at the Jewish, Israeli, and international levels. The intifadah's continuation means tightening the

screws on this siege, and evidence so far indicates that, despite its difficult circumstances, the intifadah is capable of carrying on its work. Accordingly, it is not a question of people like us demanding from the intifadah, but, on the contrary, the intifadah demanding from us, directly or indirectly. Unfortunately, Arab responses have fallen short of the intifadah's action and demand.

2) One cannot say whether support should be political or financial support. It must be full-dimensional support in accordance with the Arab interest and Arab society. Political and material support for the intifadah is an Arab investment for the future so that the Arabs with their various orientations, geographic position, regimes, and political parties may gain weight and a role in this new world that is forming before us while we are still content with the spectator role, for we are not active politically, economically, technologically, and intellectually. The only force acting within its bounds but at full capacity for the sake of the Arab nation's interests and future is the intifadah. Without that, the entire role, position, and weight will be for Israel and not the Arabs.

3) There is no ceiling for adequate support. We do not talk of ceiling. We talk of a minimum level, and the problem is that this level has not been fulfilled.

The basic issue is that there ought to be responsible popular action that does not put the intifadah in a bind with the Arab regimes, an action that presses for additional support for the intifadah with its political and material dimensions. The only way to do that is to try popular, national action as a protective shield and, at the same time, as a supporting force. This can come true only by forming a responsible grouping made up of organizations and national political parties based on the principle that we are not teachers to those who for two years have been resisting the occupation. Rather, we must meet the needs of those who are resisting through the intifadah and its field command (the Unified National Command) and its central command represented by the PLO.

I do not understand, nor can I imagine, how a nation can put conditions on supporting an active force that is actually moving on the ground and in the field against the enemy. This has never happened in history. We do not want to be teachers and to put conditions on those who are resisting and losing their lives. This continually places us in a vicious circle.

We have succeeded within the limits of our modest but growing experience to form a national committee that includes all political parties, the political leaders in the ruling National Party and the Nasirites, the Muslim Brotherhood and the communists, as well as the legal parties and unions. Our group has been based on the concept that the Palestinian question at the current stage of the struggle is defined by the field command as part of the central command. Disagreements and political and intellectual conflicts among our parties notwithstanding, we agree on the achievement of this goal by this method.

We offer this modest experience which has been able to offer political, material, and informational support, no matter how limited, to the intifadah. We feel that this is not enough, but we believe that this is a way that has been validated by events. We take whatever support parties, unions, or organizations are able to offer initially, and are always seeking through interaction to augment the amount and the quality of this support. I do not believe that this is a true translation of the motto that verily says nothing, but rises above the intifadah and its endurance. [passages omitted]

Hakam Bil-'Awi (FATAH central committee member and Palestinian ambassador to Tunis):

#### Toward Final Crystallization of Our National Goals

1) The occupied territories' intifadah, through its cohesion and creative integration between the inside and the outside, has realized accomplishments and gains that have opened a new historic stage for our people and their cause. We are witnessing a period of retreat and recession of the occupation authority, as the Palestinian state's authority, which the intifadah has realized by drawing upon our people's struggle legacy, sacrifices, and eternal rights in their homeland, is being established. Let this authority take shape through the practice of integrated Palestinian authority which finds expression in its internal and external dimensions.

This combative expression of the deeply-rooted Palestinian reality has not yet been fully crystallized on the ground due to continued Israeli arrogance and intransigence and American underhandedness. In other words, we are still in the process of achieving new accomplishments in order to realize this final crystallization of our people's national goals, thus prompting Israel to step up its terrorism and desperate attempts to quell the uprising in the eleventh hour and in a more vicious fashion, in its belief that it might be able to hold on to remnants of its occupation. Therefore, we have to prepare ourselves for such an expected confrontation which is not beyond the nature of this enemy.

2) & 3) We are in confrontation with the Israeli enemy as an Arab nation. We have been engaged in a comprehensive confrontation with the Zionist enemy since before the outbreak of the current uprising, in a civilizational battle, in a battle of one destiny. In this confrontation, the Palestinian detachment has spearheaded the Arab front. Consequently, the Arab soul alongside the intifadah, which now embodies the pattern of confrontation with the enemy, ought to correspond in its forms and dimensions with the nature of the Arab position in this battle. In other words, it is a role which stems basically from an actual partnership in the struggle position, hence the need to bear all conditions and financial, political, and other responsibilities this partnership requires, beginning with daily sympathy. This is an occasion to reaffirm the importance and the need for all forms of Arab support so that it may be on a par with the kind of Arab participation dictated by the nature of

the battle, especially since this Arab support or performance alongside the intifadah has not been up to expectations. This calls for a reevaluation of this support's channels and tools in order to focus principally on the Arab role in this domain.

'Abd-al-Rahim Ahmad (secretary general of the Arab Liberation Front and member of the PLO Executive Committee):

#### Arab Support Is a Duty, Not a Gift

1) The brave popular uprising in our occupied territories is a crowning of our people's long struggle and one of the most notable and significant fruits of its great fight for the sake of liberating their land and establishing their national identity. In its two years of giving, the brave intifadah has been able to realize what can be included among the historic accomplishments of the Palestinian struggle movement. Our people have contributed to its development and growth. Men, women, children, young people, the Unified National Leadership, the popular committees, the striking forces, and the associations, federations, and unions all have a part to play in the Palestinian giving.

Accordingly, the brave intifadah is not a conventional event in our people's struggle, nor is it mere athletic matches that come to an end after certain results are achieved. It does not lend itself to the conventional question that seeks certain equations to attain specific results. It is a universal struggle by a people fighting for their right to live and attain their national goals. They will continue to sacrifice and give until their national goals are attained.

The brave intifadah is now face to face with the ongoing political movement which, through the initiatives and plans that have been put forward, is aimed at putting a stop to the heroic Palestinian action, outflanking our people's representation, and aborting the Palestinian peace initiative in favor of a dubious and defective autonomy.

All of us Palestinians are aware of that and, in return, we insist on adherence to our national constants and on our struggle's phased and strategic goals. All are working, each from his own position, to further the intifadah to help it attain a more advanced state. We are highly confident that, with the people's faith and willingness to give and sacrifice, we can defeat the new attempts.

In the third year of our brave intifadah, we think only of developing our form of confrontation with the occupation, for this is the only way to liberate the land, defeat the occupation, and build our independent Palestinian state.

2) The Arab role in supporting the brave popular intifadah is defined by our understanding of the nature and dimensions of the Arab-Zionist conflict, by Israel's function in the heart of the Arab nation, and by the fact

that our Palestinian people are the spearhead in the Arab nation's confrontation with the enemies of Arab unity and progress.

Furthermore, the intifadah, with the meanings and importance it conveys, is the bright spot for the Arabs at the current stage. Through reliance on the self and on Palestinian capabilities, it has made important contributions to the settlement of the political conflict in favor of the Arab nation. However, Palestinian action, with all its tools and expressions, including this brave intifadah that has offered hundreds of martyrs and thousands of wounded and detainees, remains in need of its Arab nation's efforts and capabilities in all fields and at all levels, all the way to direct association and cohesion with the struggling Palestinian action.

Accordingly, backing and support for the intifadah must be inclusive: material, moral, and political. Otherwise, Palestinian action will continue to need additional efforts and sacrifices to attain its goals and purposes.

3) We believe that any Arab support for the intifadah is an additional effort which helps in one way or another to intensify our struggle against the occupation and to shorten the path for attaining our national goals of self-determination, the establishment of an independent Palestinian state, and the removal of the horror of occupation. We look upon any kind of official or popular Arab support, not as a gift or an act of kindness, but rather as a commitment and a national duty which everyone must assume by giving not only what they do not need, but rather everything in their capacity, given the nature of the battle and the kind of struggle in which we are engaged.

We in the PLO have made contacts with the Arab brothers to secure some of the requirements of our people's steadfastness in the occupied Palestinian territory so that they may be spared added burdens. The Algiers emergency summit was devoted to the discussion of ways to support the intifadah and it came out with resolutions requiring the Arab nations to meet specific obligations, from the material point of view at least. But what happened is that these resolutions remained just that, and many countries did not meet their obligations. With the exception of Iraq and Saudi Arabia, Arab support to the intifadah remains ink on paper.

On the Arab level, we are looking for an Arab mass situation that can interact with the intifadah on a daily basis. Indications are, however, that this will fall short of expectations. It must be pointed out here that the Arab Socialist Ba'ath Party initiative and revolt in Iraq and in the PLO to form an Arab popular front to support the Palestinian intifadah is a pioneering and advanced step in this direction.

We look forward to an Arab performance that can rise to the historic event, to the historic responsibility, and to the challenge our people have taken upon themselves on

the inside, assuming the exigencies of confrontation on behalf of their nation, which is expected to stand on their side with all its might.

### Psychological Effects of Intifadah on Arabs

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[Article by Aviva Shavi: "The Well-Kept Secret of the Intifadah"]

[Text] Nadirah Kiburkian, a social worker and criminologist with Bethlehem University, is an Israeli Arab who worked with children and adults in refugee camps during the intifadah. Her colleagues in the West Bank do not always like to hear what she has to say. She talks of the message that the Palestinian society is passing on to its sons—the need to be a hero, not to cry for the dead, and not to show fear—and the psychological price that the uprising will yet demand in the future, in short, everything that can be called the other side, the bad side, of straightening up one's national back.

"I have no doubt," Kuberkian says, "that the emotional condition of adults, not to mention children, has been affected in the course of the intifadah. But this is something that only professionals say. The Arab society does not admit any such problems. The perception is that we are strong, we can cope. The victims are national heroes, just as you treat IDF [Israel Defense Force] invalids. Families who have suffered receive a lot of social support, and consequently, almost no attention is paid to emotional distress; as if a child didn't miss his father, or a woman her son."

One exception, Kiburkian says, is the attitude toward people in prison or released from Israeli prisons. In those cases people say: He's become more nervous, he's talking wrong, the Jews drove him crazy. According to an intifadah rumor, "Jews aim for the head so that our children will go mad."

It is no coincidence that the psychological condition of the Palestinians is the least talked about subject in the West Bank. According to the stance of the national leadership, the intifadah is the healthiest thing that ever happened to Palestinians. It has to be remembered that this is a mobilized society. A society at war sacrifices the individual on the altar of national interests. Who can afford to talk about anxiety at a time replete with blood and land rhetoric? Thus even though, as one Palestinian psychologist told me, "More people out there have psychological problems than before," society is silent on the subject.

The following article is based on talks with Israeli and Palestinian mental health professionals who come into contact with inhabitants of the territories on an ongoing basis. It is designed to point out several interesting psychosocial phenomena emerging from the intifadah, and from this viewpoint, it is the result of personal impressions. There are almost no relevant statistics,

which comes as no surprise to those who attempt to examine the "mental health system" in the West Bank and Gaza Strip, in view of the fact that this system is neglected to the point of absurdity and exists only on the fringes of general medical services. In point of fact, there is no such system.

Collecting the material for this article took a long time. The civilian administration did not allow me to interview the man in charge of hospitalization in the West Bank. I also ran into a wall of hostility on the part of the Palestinians, who refused to cooperate with an Israeli journalist. Some of the stories borderlined on fantasy, such as the ones about women raped by IDF soldiers. However, even rumors in this respect may say something about the general mood.

But first a few words of explanation: The Palestinian society is what sociologists call a transition society; in many respects it belongs to the third world. Sahar Darmalkonian, a social worker from Nazareth, is about to complete a study on how Arab families within the Green Line cope with mental disorders. He found that the traditional-village population perceives mental disorders as something almost demonic, a punishment from God, a charm, or a spell that may be lifted by the local witch doctor or shaykh.

By extension, one can expect to find the same perception among the Palestinian society, at least in rural environments. An emotionally disturbed person is either crazy or stupid, and the attitude toward him is fatalistic and tinged with shame: God brought the illness upon him, so He is the one who can bring healing, too. In most cases, the explanation for the disorder is connected to some event in the patient's life, such as detention or injury, which is what caused him to become crazy. Psychiatrists are contacted only if the patient becomes dangerous to himself and his family, mostly when there is no more hope for traditional healing.

In this society, everything to do with psychology, sociology, or social work is thrown together under "mental." This affects the status of this quasi-system which is supposed to serve 1.5 million people in the West Bank and Gaza. The system consists of one psychiatric hospital in Bethlehem, in which the number of beds (320) has not increased since 1967, and which includes one outpatient clinic and five community clinics affiliated with it in Nablus, Janin, Ramallah, Hebron, and Tulkarm. Also, there are two rooms dubbed "Open Hospitalization Ward," attached to the ophthalmology hospital in Gaza, and one infirmary in Khun Yunus. Since the resignation last May of Dr Yi'ad Saraj, head of the Mental Health Service in Gaza Strip, there has been no psychiatrist in Gaza at all.

In the entire West Bank there are no more than 12 psychiatrists and about as many psychologists, mostly social psychologists. There are a few private clinics in East Jerusalem and Ramallah. The governmental team includes eight psychiatrists and two interns, one clinical

psychologist, and seven social workers. Community infirmaries, which see about 4,000 patients a year, work along the assembly-line system: One psychiatrist sees about 60-100 patients a day for two minutes each. Treatment consists of tranquilizers or electric shocks. There is no psychotherapy to speak of.

Usually people come to the "doctor" accompanied by family members. Once they used to bring him eggs, potatoes, or vegetables. Now they come with Chairman 'Arafat's picture. For example, the owner of an East Jerusalem restaurant came in regard to his brother, father of 10, who three years ago was beaten by soldiers and has since then been depressed and has refused to work. The doctor exchanged a few polite words with the client and wrote out a prescription.

Professionals say that in recent years a change has become noticeable in social awareness. From this viewpoint, the intifadah only accelerated existing processes. It changed the norms of behavior and patterns of emotional expression, and it also released some demons out of the bottle. At the same time, the level of services did not increase. It's the story of what came first, the chicken or the egg: The administration complains about lack of social awareness but ignores the fact that awareness of services is a function of their existence and availability. As far as this aspect of the problem is concerned, it is quite legitimate to point the accusing finger at Palestinian academic institutions.

West Bank psychiatrists report that in the first months of the intifadah the number of manic episodes among the general population rose; that is to say, manifestations of grandomania, anxiety, and aggression were noted, which were channelled into political and religious activity. People who wanted to be like Abu-'Amar ('Arafat) or Khomeyni went out into the streets to fight soldiers. Some of them were known as manic patients, while others were new cases. There was also an increase in the number of paranoia cases (persecution mania), and many turned to religion. In contrast, there was no increase in other forms of psychosis, such as schizophrenia.

Once again, this is only an impression. Psychiatrists reported a drop in the number of hospitalizations at the beginning of the intifadah (the former psychiatrist of Gaza, who is currently in London, attributed this to the emotional release of pent-up feelings). Later the picture stabilized. The only relevant data provided by the administration concerned occupancy percentages of the Bethlehem psychiatric hospital, which indicated a slight increase: from 95.5 percent in 1985 to 92.2 percent in 1987, when the uprising broke out, to 110.7 percent in 1988. In contrast, the number of (reported) suicides dropped from 10 in 1986 and 13 in 1987, to four in 1988. But the real problems are the neuroses, such as spells of depression, mourning, eating disorders (anorexia), insomnia, and bed wetting and nightmares in the case of children. There are also psychosomatic problems, such as headaches, stomachaches, and nausea, high

blood pressure, heart trouble in young people, and hysterical conversion (physical dysfunction caused by emotional problems) like limb paralysis. A 21-year-old woman from al-Duhayshah suffered paralysis in her lower limbs for two weeks, according to her, after soldiers knocked on her door in the night and she feared they would harm her baby. On the other hand, there are reports of decreased use of alcohol and drugs, possibly because of fear of Islamic fundamentalists.

According to administration data, the number of visits to governmental clinics increased in 1988-89, which does not mean that the intifadah is the main reason for Palestinians' emotional disorders. What it means is that people go for professional treatment more frequently because of problems which they link to the intifadah but that may stem from other grounds. "The intifadah," said Dr Francis Azrak, a clinical psychologist in East Jerusalem, "is now the best excuse for illness. It is the scapegoat for neurosis."

Azrak, a Christian psychotherapist trained in France, says that a new neurosis may have appeared in the Palestinian society, namely the "intifadah neurosis" (along the lines of Freud's war neurosis) as a means of coping with unbearable pressures such as shooting, gas, and arrests. He receives patients once a week at a polyclinic in the Christian sector of the Old City. The clinic, which belongs to a charity organization, is the largest in the West Bank and handles poor patients. A 40 to 50 minute visit to a psychologist costs NIS [New Israeli shekel] 5.

This year, Azrak said, his patients have doubled in number—from four to five a day in the past year, to eight to nine today. Patients present blood, darkness, and voices phobias, melancholy, and manic-depressive symptoms; women present with psychosexual problems like frigidity; unemployed men are afraid to go home because their wives ask for food.

"And the question that we therapists ask is, of course: why? From a psychological viewpoint the intifadah is a very healthy phenomenon, because people are willing to fight for their identity, but it can also have side effects. All emotional disorders appear at times of transition, from childhood to adulthood, from single to married status, etc., because transitions require larger amounts of emotional energy than usual. The intifadah is such a period of transition."

A report from the World Health Organization published 1 and ½ months ago on the "Psychological and Psychiatric Effects of the Intifadah," sharply criticized the UNRWA [United Nations Relief and Works Agency for Palestine Refugees in the Near East] mental health services in refugee camps. The report stated that "Most of the mental health workers we met at UNRWA clinics have very limited psychiatric training, in spite of the fact that they are aware of the increased need for such treatment. They encounter physical complaints, stress, insomnia, nightmares and bed wetting in children,

depression and anxiety, and irritability. Some even attribute spontaneous abortions and diabetes in young people to psychological stress.

"Groups highly at risk are small children and men, women less," the report continued. "Doctors counteract with tranquilizers....It was our impression that the doctors did not know much about how to treat emotional pain and mourning."

The future of the Palestinian society is the stone-throwing children. "And the main question," Dr Francis Azrak said, "is how those children will raise their children. Our children think they are the strongest, but that is not real strength. It's like the bomb dropped on Hiroshima. The radiation affected those exposed to it, as well as the children born to them. This is the biggest problem of the next generation."

Psychiatrist Dr Ibrahim Murad said that two kinds of reactions were observed among children in the intifadah. Children who experienced violence directly, like soldiers bursting into their homes, or who observed death at close range, evinced symptoms of anxiety and bed wetting, girls more than boys. In some children, usually between 10 and 14 years of age, fear disappears and is replaced by feelings of anger and frustration. We are raising, Murad said, a violent generation, without education, who has begun to hate school.

"We see children who say: When I grow up, I will kill Jews. They view the violence amid which they are growing up as something normal. This can be perceived in their behavior and their games. They prefer to play with guns. You see them fighting among themselves, throwing stones, or beating each other with clubs. Young children aged six to eight destroy their toys. Many children express antisocial behavior through verbal aggression, destructiveness, and apathy. There is no order in their lives, and they become accustomed to selling things in the street. Those are the negative aspects of the intifadah."

Anna Freud and Berlingham stated in their studies that war has an all-pervasive impact on the emotional development of children and their attitudes, interpersonal relations, moral standards, and view of the world. Violence and belligerent behavior become an inseparable part of their mental landscape. Children express the violence they experienced through games, drawings, and dreams.

The intifadah children have incorporated the war into their games. They turn blocks into radios and shout into them: Come, come! (in Hebrew), and immediately the block turns into a stone. They play at shavav [young guys] and soldiers, filling empty soda bottles with dust and tossing them to create the effect of smoke. They take each other to jail, which may be a chicken coop. In psychoanalysis this is known as identification with the aggressor, which is a defense system. Through games children cope with situations in which in reality they are passive, scared, and out of control.

Children adapt to war, said Dr Cairo 'Arafat, a female clinical psychologist for children of kindergarden age. "During the first stages of the intifadah, when I asked young children, what is prison? They said: He (the detainee) is with the Jews. Today they know prisons by name and may say, that's where my uncle is, or my father. It frightens them less. They identify more with each other and receive a lot of support from the environment. A five-year-old girl asked her mother: When are they going to take father to jail? Why, the mother asked. Because Nadia's father is in jail, and so everybody pays attention to Nadia."

Adjustment, however, takes its toll. 'Arafat reports findings of aggressive behavior in children toward their mothers. This is a real phenomenon, she said, which I observed especially among seven- to 11-year-olds. This is mostly the effect of the child's frustration, who identifies with the shavav but cannot be a hero like them. The child acts out his frustration at home against someone familiar, a brother or a parent.

Among older children, the aggressive behavior takes the form of rebellion against parental authority. The borderline between game and reality is sometimes not clear to the child. In one case reported by WHO [World Health Organization], a young mother required stitches because her small child had thrown a stone in her face.

In a more shocking case, dating back to the beginning of the intifadah, it was reported that two children from Bayt Jallah, aged 4 and 6, buried alive their two-month-old baby sister. They were imitating an event that was much in the news at the time, the burial of Arabs in the village of Salim. This is also a mechanism for coping with pressure. Fortunately, the mother noticed the baby's absence before it was too late.

In the course of the intifadah, efforts were made to teach mothers in camps how to deal with their children's anxiety. A team of psychologists and social workers prepared a manual with cartoon drawings, called "Simple Guide to Working with Children." For example, in the case of bed wetting, the wrong way to deal with it is to say: "Aren't you ashamed to tinkle?" The right way: "You didn't mean to do this, you feel badly, come, let's change your clothes." Or, in the case of a child who cries when his father is taken away, the wrong way: "It's not enough that they took him, now you're crying, I can't stand it." The right way: "It's not the end of the world, darling, your father will come out of jail one day, like many other fathers who were arrested. Let's go visit grandma."

The problem was that many mothers were not able to read the text.

The Palestinian child views the Israeli soldier as inhuman. Refugee camp adults questioned by Nadirah Kiburkiah described soldiers as "Beasts, not humans," and expressed feelings of anger and revulsion toward them. Dr Cairo 'Arafat reported that she often asks children to imagine what Israeli soldiers do when they go

home. Young children aged eight and under found the situation amusing. Many of them never thought that soldiers have homes to go to.

Nadirah Kiburkian: "One of the most important things is to forge a society with high ethical and moral codes. And here Jews and Arabs have selective systems. Children grow up with a world view of kill or be killed. They don't understand why we should treat Jews as people. The child who will be an adult 20 years from now will be a child who didn't sing with the birds, didn't celebrate Mother's Day, and didn't dream of becoming an astronaut. He is thinking about prison. This is a long-term crisis. If basic values are not clear to the child inside the parent of the future, we're in trouble."

Psychiatrist Dr Ruhama Marton, chairman of the Israeli-Palestinian Doctors League for Human Rights draws an interesting parallel between the stone-throwers' generation and our Palmah [Strike Force of the Hagana] generation, "a painfully deprived generation, with few modes of expression, whose language was rough and devoid of metaphors, for whom everything is straight and to the point, which all makes for almost emotional death. Most of them had their education interrupted, and they were and remained grim doers. The violence to which they were exposed under the British occupation was less intense than what these children are exposed to."

Dr Shafiq Misalhah, a clinical psychologist, studied the emotional condition of nine- to 11-year-old children in five refugee camps in the West Bank and Gaza Strip. The study was carried out in May-June 1989 and featured children's drawings, dreams, reactions to an association test (TAT), and sentence completion.

The study found that most drawings intensively dealt with hostilities involving the army. They showed the Palestinian flag, children—usually in the upper part of the sheet—and soldiers with weapons at the bottom of the sheet, both of the same size, and always separated by a stone obstacle or a burning tire. The figure of the mother-woman appeared in some drawings, never the father-man. Some of the drawings showed a Muhammad-Allah combination hinting at a possible direction in a deadend situation.

In the TAT test, which showed the picture of a child with a violin, one 9-year-old girl said that "the child was sitting thinking whether to join the Fatah or the Communist Party." Thirty-four percent of the children perceived the violin as a weapon, and some viewed the side indentations at the "hips" of the violin as handcuffs.

The figures that appeared in children's dreams were all clear and well-defined ("soldiers came and took away my brother," etc.). In a study conducted by Yoram Bilu and Yosef Nashef in 1984, children saw in their dreams dim figures like giant monsters which chased them and tortured them. Today the enemy is well-defined and the children's identity is clearer. Consequently, the intensity of the fear in dreams is smaller by comparison.

"This generation has several characteristics," said Masalhah, "which will all go into forming the national character we will see in the next decade. This is a generation of people who can be very serious, in the sense that they lack playfulness, while normally one's personality should preserve the child in the adult. I think they will also have a sense of fear of the world, which is not a world one can trust. I view this as the Jewish syndrome of always feeling threatened and having to be on guard."

The intifadah broke the traditional patterns of authority in the Palestinian society. The stone-throwing child took the place of the father at the top of the pyramid; behind him in the front lines stands the woman, while the man stays home humiliated. The redefinition of the balance of social power, particularly the changed status of the woman, has created tension within the family unit. One woman, mother of several children, went to help at the Tulkarm camp and was stuck under curfew for three days. When she returned home, her husband told her: You're a whore, all the neighbors talk about you; you were away from home for four nights. The woman decided to kill herself by taking pesticide.

Nadirah Kiburkian is working on a doctorate in criminology on the subject "Violence in the Family." On the basis of her preliminary studies one can already state that the intifadah has increased tension and violence within Palestinian families. Such conflicts come to the fore at family therapy sessions held by Dr Francis Azrak with women and mothers in villages. Here are a few documented cases:

One mother talks about the loss of her and her husband's authority. Of her two sons, 15 and 17, one is religious and one is a communist. The father cannot stay on top of the conflict and there is tension in the house.

Another mother complains that her children, 10 and 12, become angry at the sight of books. They hate the thought of going back to school.

During a collective discussion on the appropriate age for marriage, one woman said that if a man marries at age 18 and is killed in the intifadah at age 23, he will at least pass on his name.

One of the issues that came up in Nadirah Kiburkian's group work with adolescent girls in camps was the fear of being sexually attacked by soldiers. Sex is the most serious taboo in Arab society. Even at talks at which boys were present girls expressed overt fear of sexual blackmail, physical attack, and even rape. Stories were told about girls raped by soldiers and about one girl who killed herself after being raped. The stories were not verified.

By the way, there are known cases of Palestinian girls who fell in love with Israeli soldiers. There were three such cases last summer in a village on the outskirts of Jerusalem, two involving Druze soldiers, and one a green-eyed Ashkenazi, who fell in love with the village

beauty, a 14 and 1/2-year-old, and even dared to ask the father for her hand. The affair caused a great storm in the village. People hastened to get their daughters out of school and to marry them off. The beautiful girl was smuggled to Jordan within the week, was married there, and is now pregnant. Following that affair, psychologists worked with the village girls on the lover-enemy issue.

Another major issue that emerged at meetings with adults and children was what Itamar Luria, a clinical psychologist, calls "the sociology of emotion," a pattern of emotional processing of mourning. According to Muslim tradition, a holy victim, or shahid, is not mourned, because the shahid has earned life in Paradise. Today he gets a "Palestinian wedding" ceremony, at which people sing, dance, and clap hands in ecstasy. The mother of the hero may shed a tear for the dead. But she must feel proud of the honor of being the mother of a shahid. This pattern is found, according to Dr Ibrahim Murad, especially in refugee camps among women past 40, strong, tough, and stubborn women who have become symbols of the Palestinian struggle.

"This is a pattern of complete denial," says Nadirah Kiburkian. "The natural process of mourning is blocked, something that, in my opinion, causes a lot of emotional problems. I treated one woman, the mother of a child who was killed, who didn't cry. One week later she suddenly developed high blood pressure and difficulty standing up. I told the doctor that in my opinion, she didn't need medication, because emotional pain was not being expressed. I went to her, we began to talk, and she started telling me about her son Muhammad, but she talked of him as if he didn't belong to her.

"I told her, Umm Muhammad, I feel there is something difficult that you're not saying but that is a part of you, something that is very dear to you. Let's talk about it, and she said: People outside don't want me to cry, and I mustn't on religious grounds, because for us a shahid has a place in heaven. I said: But in your heart, too, there was a place for this child. At that point she began to cry, and said: Oh, mother, how I miss him. I wanted to repair the faucet, and called him to bring me the screwdriver, as I always did, and suddenly I remembered that there is no Muhammad.

"I visited her several times since then, and the father told me I was causing a bad atmosphere in the home, because everyone started crying. But there is one thing I know: The woman stopped complaining of pains in her legs. I allowed her to do what everyone else was preventing her from doing, namely to talk of her loss."

Ruhama Marton said that this is a matter of codes of social behavior. According to Marton, the attitude of the Palestinian society to intifadah victims is similar to that of the Israeli society to war victims. In both instances, families draw strength and receive warm support from outside, and are surrounded by great sympathy. In our case, too, until the Lebanon war, emotional strength was evinced by not expressing sorrow. The more Ashkenazi

the mourners, the greater was the need to be "all right," something like: Look how marvellously she's holding up.

"People paid a very high emotional price in that the mourning period became longer and became pathological, lacking a process. There were people, men more than women, who developed psychotic symptoms and even committed suicide out of unreleased pain. I will risk predicting that as soon as the immediate troubles of the Palestinians come to an end, serious depression will set in, and they must now prepare the tools to deal with it."

### **PLO Concerned About Hamas Reinforcement**

*44230051A Tel Aviv HADASHOT  
in Hebrew 12 Oct 89 p 12*

[Article by G. Bachur]

[Text] At the end of the week King Husayn of Jordan announced his intention to hold a national referendum on the subject of political reforms, including the organization of parties in Jordan. The promise comes after the extremist Islamic organizations achieved great goals in the Jordanian parliamentary elections last week and controlled almost half of it.

The final results showed that the bloc of extremist Muslim candidates, including The Muslim Brothers, won 32 out of 80 seats. In the other seats, four representatives of the leftist parties in Jordan won, including communists; seven representatives of Arab nationalist organizations; and the liberals and traditional representatives of the tribes received the rest.

A great concern prevailed at the end of the week among the PLO activists in the territories, following the victory of the Islamic factors in the parliamentary elections in Jordan. These activists estimate that the victory of the Islamic forces will have a direct impact on the strengthening of the Islamic Resistance Movement, Hamas, in the territories.

A senior Palestinian activist on the West Bank, who is close to the PLO, at the end of the week told an Israeli News Service reporter that, in his estimation, the PLO will now emphasize its opposition to Israel's election plan even more. According to him, the PLO will insist on appointing the UN delegation members with Israel, out of fear that, in the free elections in the territories, Hamas will win and will weaken its position.

Dr Musa Abu-Ghawsh, from Ramallah, a former member of the Jordanian parliament, said that there is no doubt that the success of the religious factors in Jordan's elections will strengthen the Hamas movement in the territories. "The first signs of this already exist in the field." According to him, in recent days in Ramallah, many pictures have been hung of the leader of Hamas in the territories, Shaykh Ahmad Yasin, from Gaza.

Pro-Jordanian factors on the West Bank, who have requested anonymity, stated that Islamic factors were behind the recent food riots in Jordan, and that the victory

of these factors in the parliamentary elections in Jordan endangers the stability of the regime in Jordan.

King Husayn describes the general elections at the end of the week, the first in 22 years, as the start of a new phase in Jordan. "I sense satisfaction from the election results," he said at a press conference that was held after the minister of the interior declared the final results. "I am proud of the opportunity that was given to everyone in Jordan, beginning from the extreme right to the extreme left, to express his opinion." In response to the question of whether the prohibition to organize political parties would be lifted, Husayn replied: "That is the goal."

## EGYPT

### Merchants' Elections Cancelled Due to Security Pressures

90OA0132B Cairo AL-NUR in Arabic 8 Nov 89 p 1

[Article: "Merchants' Elections in Alexandria Voided Because of Security Violations!"]

[Text] The Council of the General Merchants Union, headed by Dr. Hilmi Nimr, has decided to cancel the results of the elections of the Alexandria branch of the Merchants Union, following the council's disclosure of security interference and pressures that prevented the attendance of a large number of members. Pressures were reportedly put on union members to drop the Islamic Federation's candidates within the union.

The Islamic candidates for membership on the council of the Alexandria branch of the Merchants Union submitted a memorandum addressed to the union leader, Dr. Hilmi Nimr, and Mustafa al-Khuli, head of the Merchants Union in Alexandria, and chairman of the Freedoms Committee of the General Merchants Union. This memorandum demanded an investigation into the occurrence of fraud in last week's Alexandria branch elections. The Islamic candidates also demanded to hear the testimony of the council members themselves with regard to those events, including Mustafa al-Khuli, chief of the Alexandria branch and the supervisor of elections, and 'Ali al-'Udul, a member of the election supervisory committee, in addition to members of the board of directors, 'Abd-al-Muhsin Husayn, Mustafa Salim and Yasin al-Hilbi.

### Bond Sales Said To Help Establish Securities Market

#### Profits for Production

90OA0252A London AL-MAJALLAH  
in Arabic 9 Jan 90 pp 38-39

[Article by Mahmud Salim: "First Step To Establish Egyptian Securities Market; Bonds in Dollars and in Pounds"]

[Text] Cairo—Subscription to the new dollar bonds issued by the Central Bank of Egypt was opened on 1

November 1989. This step is part of a number of other steps whose ultimate target is to establish an Egyptian capital market and to boost the Egyptian securities exchange. The other steps include the issuance of bonds in Egyptian pounds in nearly two months from now. Some Egyptian banks are also scheduled to offer new saving vessels to attract [the savings of] Egyptians at home and abroad. If the target of these steps is to establish an Egyptian capital market, then the issuance of bonds in dollars has attracted great interest from the Egyptian, Arab, and international economic circles. The Central Bank has been so interested in these bonds that it has agreed to send three delegations of bankers to six Gulf states with the purpose of promoting these bonds.

What is the story of the new dollar bonds, what benefits do they offer, what is the purpose behind their issuance, and will they succeed in creating an Egyptian capital market?

A few months ago, the Egyptian cabinet—the economic ministers group in particular—devoted their attention to boosting the Egyptian long-term investment market and reached the conclusion that it is necessary to issue dollar bonds to achieve this objective. Dr. Kamal al-Janzuri, the deputy prime minister and minister of planning, did in fact issue a decree forming a committee under the chairmanship of Dr. Hasan 'Abbas Zaki, an ex-minister of economy, to issue these bonds. The committee included as members Zafir al-Bishri, deputy chairman of the National Investment Bank; Fu'ad 'Uthman, deputy governor of the Central Bank of Egypt; Mahmud 'Abd-al-'Aziz, deputy chairman of the Egyptian Banks Union; Isma'il Hasan, chairman of the International Egypt-America Bank; Mahmud al-Falaki, the commercial minister plenipotentiary in charge of trade representation at the Ministry of Economy; Tahir al-'Ushari, assistant deputy director of the Central Bank; Jasir Fahmi, chairman of the Securities Markets Directorate of the Money Market Authority; Dr. Ahmad Salim, an adviser at the Ministry of Finance; Muhammad Nasr Tantawi, chairman of the policies sector of the National Investment Bank; Muhammad Jamal-al-Din 'Abd-al-Muta'al, deputy general director of the Central Bank; Dr. Hasan Husni, deputy chairman of al-Sadat Administrative Sciences Academy; 'Abd-al-Mun'im al-Tuhami, financial adviser to the Money Market Authority; Qutub Ahmad al-Ghalban, head of the Followup Directorate of the National Investment Bank; and Raja' Dhikrallah, deputy general director of the Central Bank of Egypt. All these figures hold financial positions and are greatly experienced in securities. They were, of course, selected carefully and put under the chairmanship of Hasan 'Abbas Zaki, the famous economist who is well known for his great experience with money markets.

The committee held numerous meetings in which it discussed all aspects of the new bonds. Out of its eagerness for a successful delivery, the committee invited a securities expert from a foreign bank and sought his opinion on the study concerning bonds. The

truth is that this expert expressed no reservation on the advantages of bonds and said that the idea is a good and thoroughly studied idea.

### New Economic Thinking

Now, the question is: What are bonds and what are their benefits?

Mahmud 'Abd-al-'Aziz, deputy chairman of the Egyptian Banks Union, vice president of the Egyptian National Bank, and head of the delegation which visited Kuwait and Muscat to promote the bonds, has answered the question, saying, "The bonds reflect a new economic thinking that seeks to provide a new financial legacy that offers benefits that have not existed in Egypt before. These benefits are embodied in a varying annual yield that is payable in U.S. dollars every six months and that is equal to the interest rate for loans between banks in the London market (six-month LIBOR), plus a one-half percent annual margin. The yield is calculated as of the day following the end of the monthly subscription period. If guaranteed in Egyptian pounds, the new bonds entitle the holder to borrow up to 90 percent of the bond value at an annual interest rate of 14 percent. If guaranteed in foreign currency, the holder is also entitled to borrow up to 90 percent of the bond value. But the interest rate will vary, depending on the world financial markets. At any time, the holder may exchange the bonds for Egyptian National Bank investment certificates, which offer an annual yield of 16.5 percent, on the basis of the face value of the bonds as determined by the free banking market on the day of exchange. The new bonds are issued in denominations of \$25, \$100, \$500, \$1,000, and \$10,000. Subscription has been opened for Egyptians at home and abroad, for Arab brothers, and for the citizens of other countries. The new bonds are issued for the bearer, meaning that the name of the buyer will not show on them."

'Abd-al-'Aziz has said that the new bonds are redeemable, i.e. they earn their full face value 10 years from the date of issuance. On a decision by the Investment Bank Executive Board and through secret ballot in a public session, the bonds may be partially redeemed eight years after the date of issuance. The bonds will be fully or partially redeemed at their face value which will be repaid in U.S. dollars.

The bonds also offer other benefits which are already established in the Egyptian economy, such as exemption of the yield and redeemable value of the bonds from all kinds of taxes and fees—including the inheritance tax—levied at present or to be levied in the future. Moreover, the bonds, the yield they generate, and their redeemable value may not be impounded, seized, or confiscated.

He added that the public treasury guarantees that the National Investment Bank will repay the bonds' redeemable value and their yield and that the Central Bank and its branches, the commercial banks, the joint banks and their branches, agents, and representatives, and the branches of foreign banks operating in Egypt will service

these bonds. They will accept subscriptions, deliver bonds, pay the yield when due, and pay the value of the bonds in U.S. dollars when they mature.

'Abd-al-'Aziz further added, "The bonds will be circulated in the securities market 12 months after the end of the subscription date of each bond issue. The subscriptions made each month are considered an independent issue."

### Vital Projects

But where will the money generated by the bonds, expected to amount to nearly \$500 million, go?

Dr. 'Abd-al-'Aziz has said, "It will go to production projects whose economic feasibility has been proven. The money will not go to pay for the deficit in the balance of payments, for example, or to import food-stuffs needed by Egypt. It will be used for projects that can generate foreign currency to pay for the yield of the bonds and for their value upon maturation. These projects include the construction of two new furnaces at the aluminum complex in Naj' Hammadi. This is a totally successful project because the local and domestic market need this raw material from Egypt and because the current production is insufficient. There is also a project to develop the Suez Canal so that it may be able to accommodate giant ships. Such a project can generate hard currency easily. There are also production projects which will be designated for export only and tourist projects capable of generating big income. He added that the yield will be used to finance modern projects in both the public and private sectors, as long as they are proven economically feasible."

The Egyptian Banks Union deputy chairman further said that a special committee will select and supervise these projects and that nobody will interfere in their affairs. This committee will periodically follow up on project implementation, on the sums spent on projects, and on the revenues they yield.

### Three Egyptian Delegations

To promote the new dollar bonds, three Egyptian delegations visited six Gulf countries. The first was headed by Mahmud 'Abd-al-'Aziz and included Jamal 'Abd-al-'Al, the Central Bank deputy general director; Muhammad 'Abd-al-Hamid, the Arab Investment Bank general director; Jalal Salamah, chief inspector of the Arab-International Banking Company; 'Isam al-Ahmadi, the Egyptian Bank director general; and Fatimah Lutfi, the International Commercial Bank director general. This delegation visited Kuwait and the Sultanate of Oman and met there with numerous banking and financial notables, led by 'Umar al-Zawawi, the adviser to Sultan Qabus; Shaykh Salim al-'Uraymi, financial secretary of the Oman Chamber of Commerce and Industry; and numerous directors and chairmen of Omani banks. The delegation also met with Shaykh Salim al-Sabah, governor of the Central Bank of Kuwait; Muhammad 'Abd-al-Muhsin al-Khazzan, chairman of the Kuwait

National Bank; 'Abd-al-'Aziz al-Saqr, chairman of the Kuwait Chamber of Commerce; Hamad al-Humaydi, deputy chairman of the Kuwait Insurance Company; Ma'mun Hasan, general director of the Arab Investment Insurance Company; and 'Abd-al-Razzaq al-Muzzayyini, owner of al-Muzzayyini Money-Changing Company.

All these notables stressed that the idea is a good one and an important step to attract savings toward investments beneficial to the Egyptian economy. Chairmen of the Kuwaiti and Omani banks asserted that they are prepared to offer all services to boost these bonds, to bolster the Egyptian economy, and to promote investments in Egypt.

The Egyptian delegation headed by Mahmud 'Abd-al-'Aziz held important meetings with members of the Egyptian communities in Kuwait and Oman who expressed their eagerness for the experiment to be crystallized in a proper manner that accomplishes the objective and who asserted that they will subscribe to these bonds through public banks in these two countries, through money-changing companies, or through the agents of Egyptian banks in the two countries.

At the same time, another delegation headed by Fu'ad 'Uthman, deputy director of the Central Bank of Egypt, visited Saudi Arabia and Qatar. A third delegation headed by Isma'il Hasan, chairman of the Egypt-America International Bank, visited Bahrain and the UAE [United Arab Emirates]. The two delegations met with numerous banking and financial notables in these countries. The conclusion was that Egypt is the best place for Arab investment.

Subscription was launched on Wednesday, 1 November 1989, and reflected a good beginning. Since the first day, the Central Bank of Egypt has been receiving telex cables from the representatives of Egyptian banks abroad requesting to purchase the new bonds. Jamal 'Abd-al-Muta'al has said that numerous Egyptian citizens have actually subscribed to the new bonds. It is expected that demand for the bonds will increase in the coming days among Egyptians, Arab brothers, and the citizens of other countries. This condition reflects awareness among the citizens that something new and serious is being implemented with utmost preparation and precision. This is why economic circles in Egypt and abroad expect these bonds to succeed in accomplishing their objective, namely boost the Egyptian securities market and exploit the money of Egyptian citizens in economically feasible projects capable of covering the interest paid for the bonds in the currency used to subscribe to the bonds, namely U.S. dollars.

#### **Bond Sales Criticized**

90OA0252B Cairo AL-JUMHURIYAH  
in Arabic 8 Jan 90 p 5

[Muhammad al-Hayawan Editorial: "Word of Love"]

[Text] Muhammad 'Abdullah, chairman of the Cairo Bank, has said to me: I swear by God, and the oath is his,

that the development bonds in dollars are the best investment vessel. He expounded the benefits of these bonds to me for a full hour. Mahmud 'Abd-al-'Aziz, the National Bank deputy chairman, has told me that these bonds are the best investment vessel to date. The two men's reputation confirms that their words are sincere. But the figures say that something is wrong. The government is offering savers bonds valued at nearly \$460 million. In two months, only \$17 million's worth of these bonds has been purchased. There must be a reason behind the lack of demand for these bonds.

Mahmud 'Abd-al-'Aziz has said that 80 percent of the bonds sold have been purchased with bank savings diverted for the purpose and only 20 percent have been purchased with savings from outside the banks and with money that has not gone through the banks, meaning money that has come from outside the banks or money hidden at home.

The figures assert that savers are not interested in this type of saving, regardless of all the propaganda and real benefits, as bankers say, and even though some bankers fear that drug traffickers would purchase these bonds by virtue of their extraordinary benefits. These bonds can also be used as a means to cleanse dirty money, meaning that one can steal a million dollars and buy dollar bonds with them. If the thief is caught by the prosecution and imprisoned, justice cannot touch or seize his bonds. Thus, they constitute a means to cleanse dirty money because the government is prohibited from asking someone: Where did you get it? Despite all this, the demand for the bonds is weak, and herein lies the problem.

It is said that the profits will be less than the inflation rate. This means that the money will decrease in value. This may be the reason for the lack of demand. It is also said that trust is lost between savers and the government and that people view any government saving plan with suspicion and doubt and that this is why the demand is small. Perhaps this is the real reason. The government has subjected people's savings to successive tremors over which people have no control and from which they have suffered. Since 1985, savers have been dealt successive blows. At the outset, a decree freezing the accounts of money changers was issued and a part of the savings of expatriate Egyptians was lost. The savers then turned to investment companies which were permitted to operate by the government. These companies sprung a surprise and another part of the savings was lost. Even big savers who had come to Egypt and set up big projects were subjected to interrogations and pursuit. Consequently, some of them fled the country and the others are thinking of doing the same. Those who invested their savings in desert lands have been subjected to other problems. Those who purchased government-built apartments have not received their apartments yet. Thus, the problems have been coming one after the other and confidence has been lost. When the government offered its dollar bonds, nobody showed interest.

**Writer Blames Socialism's Failure on Moral Weakness**

900A0202A Cairo AL-AHALI in Arabic 29 Nov 89 p 6

[Article by Ashraf Salih Sa'd: "A Reader's Thoughts on Crisis of the Left"]

[Text] I have been greatly distressed to see the left lose power—a true fact that should not be denied—not only in Egypt but also in most parts of the world. This is what provoked me to send to you these thought which came to mind in a moment of reflection.

I wonder. Is the fault in socialism due to the theory or to application?

The truth is that capitalism is based on the interest of the individual or the ego, as Freud put it: the ego is to promote my own plan because I am the one who will reap its benefits. In socialism, however, society as a whole reaps the benefit: I work and I struggle for the sake of others. This is a human or rather a divine doctrine. But who among us abides by doctrines?

Hence, man's failure to abide by the moral values sent down from heaven is the reason why the socialist system has failed to realize prosperity for its peoples. It is as though prosperity and progress thrive only in free economy or market economy, or, in human terms, the opulent owe something to others. Here, a Prophetic tradition comes to mind: "People are partners in three things: water, grass, and fire." Jesus Christ said: "He who has two garments let him give to those who do not have." Peter the Apostle tried to establish the first socialist society on earth. The Bible says: The faithful were of one heart and one soul. No one believed that any of his possessions belonged to him. Everyone shared everything they had and, therefore, no one among them was in need. All field and house owners used to sell their property and to put the proceeds at the feet of the apostles who distributed them according to need.

Peter the Apostle's plan, or state or communal ownership of the means of production, was destined to failure, as later illustrated in the Bible. No party and no pain. We are not mightier than Peter the Apostle.

But will socialism succeed?

Primitive man was born a capitalist or an individualist. He roamed the land looking for food for himself and his family only. As humanity progressed, specialization came into being: a group of people in charge of hunting, another group in charge of tending the animals, and a third group in charge of farming. Man started working to make others happy and society started working to meet the needs of the individual. The individual began to have rights and duties, which is a primitive form of socialism.

So rejoice O ye leftists. The future will be ours when nations progress intellectually, civilizationally, and morally, and when souls rise high and individual instincts

and tendencies fall back. For socialism is God's message to humanity and tomorrow is close at hand.

**Editorialist Criticizes Bush's Priorities, Worries**

900A0132A Cairo AL-SHA'B in Arabic 15 Nov 89 p 3

[Editorial by Dr. 'Awad al-Doha: "The American President's Concern"]

[Text] The American President is worried these days. Naturally, he is not concerned over the destructive earthquake that occurred in San Francisco, resulting in the collapse of bridges and buildings, the shaking of skyscrapers, and which led to the death of hundreds under the rubble. The city suffered huge material damages, causing fires, and turning the city into an inferno dominated by gloom and terror. Tens of thousands of Americans are without shelter, and more than 2 million citizens hurt because of this earthquake. But no, this is not what worries the President.

The American President is not concerned over what is happening in Palestine, nor over the innocent children who are being killed every morning, sometimes by plastic bullets and sometimes by being buried alive. It does not worry him that houses are destroyed around the children, their blood mingled with the dirt, their corpses flung about under lumps of concrete and bars of iron, because of bombs made in America. The children's only crime is that they dream of a nation, in which they could find warmth, shelter, and love. Nor is it reasonable for President Bush to be concerned over the Arab blood that flows in Lebanon, nor over the thousands of souls that are dying at the hands of Arabs, with Israel being greedily envious of that. That is a worry which would never occur to the American President.

It is also impossible for the American President to grieve over the black citizens in South Africa, the land owners and sowers, who suffer ignominy at the hands of the white man, and over whose heads pour the fires of hell merely because they ask for the right to live the same kind of life that treats their executioners with kindness and gentleness. Why shouldn't the deaths of blacks in South Africa be legal at the hands of whites, just as the deaths of Palestinians are legal at the hands of Jews?

It is not likely that the American President's concern is over drought victims, those who die everyday by the millions, those who cry out like animals violently and in hunger, while the wealthy nations throw surplus grain, milk, butter, and apples into the bottom of oceans and in garbage bins, so that these surpluses do not reach the mouths of the starving and the miserable.

One feeling that does not upset the head of the American administration is with regard to these childish creatures who crowd about the white man in this world, who want him to share life's pleasures, to savor with him the right to live together as all God's creatures.

The American President is not worried over what is happening in Afghanistan, Iraq, and Iran. These countries have chosen to become places where the powers struggle, everyone dies, and all money is wasted, in addition to the powers' own money. They sneak a look at us, while we fight like a rooster, so that some of us kill others of us, in order to make the hearts of the white masters that are watching happy.

Yes, the American President is concerned. You know when he is worried. But he is not concerned about the American citizens kidnapped in Lebanon by the Islamic Jihad Organization, who are being subjected to humiliation, even though they are citizens of the greatest nation in existence. However, what is happening to them has only been caused by the American administration's misconduct in its dealings with small, vanquished people. That happened in Vietnam, Iran, and in Lebanon. It will happen everywhere, because that great nation is a biased nation. It does not care about the people's interests. It is enough that we know that in all the world's issues, America stands alone, with only Israel, while all the world stands on the other side. The great nation stands isolated from all peoples.

All of these painful events have not moved the American President to grief or to tears. However, that which truly does worry the President is nuclear cooperation between Israel and South Africa, that Israel has transferred American technology to a third country, and that this will result in complicating matters. Thus, with all kindness and gentleness...

Why were you not concerned Mr. President, when you gave the advanced technology to a small country like Israel, which plays any way it wishes, threatens whom-ever it wishes and destroys the world as it wishes. All of this came about because of the terrorist weapon that you put in its hands, gladly and at your option. What is the difference between sneaking American technology to South Africa or Israel? As if you did not know about that for some time, Mr. President, and as if you did not take part in the American administration over the years, in all of its dirty business and crimes.

Mr. President, we can dispense with this concern, and we can dispense with these fraudulent sentiments. We have taken into account that you use us every day, holding the American veto over our heads every morning.

We would like the American Ambassador in Cairo to inform you, Mr. President, of this, and convey from us to you the greeting of peace, which is the most precious of words.

The writer is a professor of surgery at the German Medical College

### **Columnist Sees Arab League, Regional Group Conflict**

*90OA0202B Cairo AL-AHALI in Arabic 29 Nov 89 p 5*

[Article by Amin Huwaydi: "Arab Will, Between Large Umbrella and Small Umbrellas"]

[Text] The movement on the political stage is one of wills and not just of blocs. For the true weight of any regional community such as the Arab League, or a subregional one such as the GCC [Gulf Cooperation Council], the Arab Council, or the North Africa Federation, is measured by the total sum of its members' wills.

The Arab League is the only available receptacle where the wills of the member states are supposed to come together to form one Arab will that can make itself felt when dealing with both internal and external threats, thus turning the league into a big umbrella under which members can seek protection. But this is not the way it really is, for the one Arab will is incapable of fulfilling its responsibilities. This is not, however, a failing of the Arab League with its organizations or charters, but rather entirely that of its members, because a collective Arab will is the total sum of the wills of its members. There are no bad charters or bad institutions, but rather bad players and bad leaderships that do not know how to play by the known rules of collective action in which members have to play with each other as a homogeneous team and not alone against one another. That is why there is no guarantee—even if the present league charter is amended to overcome its negative aspects—that the situation will be corrected, unless the players change their tactics and unless intentions turn sincere.

Without making sincere efforts to fix the holes in our big umbrella, some people have sought protection under small umbrellas by way of three councils, the GCC, a council of six; the North Africa council, a council of five; and the Arab Council, a council of four. We are left with a big umbrella full of holes that does not guarantee its members the necessary protection, and three small umbrellas incapable of safeguarding their members, up till now at least. The crucial factor is not the number but rather the ability and competence of the umbrellas. So far, Arab security has been fair game.

The duty of any community like the Arab League is to achieve national security in its true concept, namely to work toward raising the Arab countries' capacities. Capacity is the total sum of the member states' multiple powers, be they political, economic, or military. National security makes use of capabilities available to the member states to break away from dependency and to deal with others on the basis of mutual and equal reliance. Military security is the shield that protects our capacity in this world of wolves and foxes in which we are living through deterrence to ward off aggression.

It is in our interest, therefore, to augment our national security's capacity by seeking protection under the big umbrella, even if it means that the members will have to give up part of their regional or subregional wills for the good of the collective one. For collective action can endure only by the diminished wills coming together to form the total will, and also by reconciling different opinions through dialogue. For no opinion is totally right or totally wrong. There is no black and white in collective

action. Rather, grey, which is a mixture of black and white, is used in dealing with such matters.

The current state of affairs, the presence of subregional or Zionist councils along with the Arab League, is a disturbing one. For provincial council members are seeking to strengthen their wills at a time when the Arab League has remained stagnant and captive to a charter that ought to be amended and to a code of conduct that ought to be changed. This situation is being exploited by striking a balance between a corroding collective will, the Arab League, and growing provincial wills, the councils. If the central will were to be ranked, it would come out as an element of separation and fragmentation rather than one of unity and togetherness. It is essential to restore the balance between the Arab wills by strengthening the one Arab will as represented by the Arab League, so that it may be stronger than the regional and subregional ones.

It would be all right to have small growing umbrellas operating under a capable big umbrella.

#### Editorial Questions Wheat Subsidy Benefits

90OA0201B Cairo AL-AHALI in Arabic 29 Nov 89 p 4

[Commentary by Najah 'Umar]

[Text] One of its members testified....

The Consultative Council, which was chosen by the government through candidacy, appointment, and election, this week unveiled the true face of the subsidy.

They said that dependence on grain assistance has led to an increase in the food gap, and the pattern of consumption had turned to imported grains.

It is said that the size of the "subsidy" has risen, not because new goods had come into the scope of the "subsidy," but because of a rise in the exchange rate. When the price of the dollar was 70 piasters, the subsidy was 976 million pounds, then the size of the subsidy rose to 1,576 million pounds after the price of the dollar rose to 110 piasters. Finally, after the latest rise in the exchange rate, the subsidy rose to 2,540 pounds.

The question is: to whom does the subsidy go?

Does it go to the American farmer, or to the simple Egyptian citizen? To the one who sells the wheat, or the one who consumes it?

In other words, towards whom is the subsidy directed? To the Egyptian economy, or to promote American goods and products, America being Egypt's primary supplier now?

The answer in a nutshell: We begin from the west, and to the west we return, some might say. It is world prices, and inflation. And I say, yes, that might be true, but it is not the whole truth.

It is true that the Egyptian pound has fallen in relation to the dollar, for the pound of the sixties used to mean two

and a half dollars, whereas the pound of the great *infitah* [open-door economic policy] does not amount to half a dollar. That is true. But what is also true is that what is responsible for that is the sum of economic policies which has led to an increase in consumption, an increase in imports to the point of dependency, and a drop in production.

Yes, they were the policies that sent half of the Egyptian labor force to the service sector!

The problem is not in the principle of the subsidy, as is said these days. The proof of that is that the subsidy was not an issue in the sixties, rather it was one of the tools for achieving social justice.

The real problem is in the size of the subsidy under circumstances of almost total dependence on the outside. If there were some dependence on self, if only to cover half of local needs; if production were equivalent to the volume of imports; if the call for judicious consumption were turned into a call for judicious importation; and if the long list of "if only's" were achieved morning and evening, we would curse the "subsidy" and its years three times a day, before meals as well as after.

## IRAQ

### Oil Minister Cited on Development of New Gas Field

44000174 Baghdad INA in English 1230 GMT 8 Dec 89

[Text] Baghdad, Dec 8, INA—The Iraqi Ministry of Oil is preparing technical and economic studies to start developing al-Anfal gas field in al-Ta'mim Province, which has a production capacity of 200 million cubic feet per day.

In a statement published here today in the daily AL-THAWRAH, the Iraqi Minister of Oil, 'Isam 'Abd-al-Rahim, said that his ministry drew up a plan which would be executed early next spring for developing the gas field and was expected to be completed in the second quarter of next year.

The minister added that al-Anfal gas field is characterized by being easy to develop due to a number of economic and technical reasons such as the quality of its gas, easy production techniques, and being close to major gas processing installations.

AL-THAWRAH daily described the field as being 33 km long and 4 km wide and has an estimated gas reserve of about 4.5 trillion cubic feet.

The development project consists of drilling eight gas wells and installing a field station and pipeline network.

**System of Cooperative Societies Expands**

44000163A Baghdad BAGHDAD OBSERVER  
in English 19 Oct 89 p 2

[Text] Baghdad, Oct 18, INA—The number of cooperative societies reached 244 this year with 1,279,059 members. These societies specialise in such fields as housing, production of consumer goods and services.

The Housing Cooperative Society Federation has provided its members with 1,904 plots of land, each of 200 sq.m. at 15 Iraqi dinars per metre. The plots were distributed through the federation's branches of Amin, Mansur, 'Adl, Dhubbah, Police Warrant Officers and Rafidayn. Another 158 plots are to be given through other branches of Police Warrant Officers.

At the provincial level, the Federation distributed 1,245 plots of land in the Maysan, Ninawa and al-Sulaymaniyah.

Some 150 plots will be distributed in Maysan province and 1,196 in Ninawa province.

In cooperation with the Ministry of Local Government the Federation has allocated 324 plots of land in the city of Ramadi which will be distributed within next two months, 500 in al-Fallujah town and 1,000 in the al-Saqlawiyah town.

Arrangements are underway to divide the land into plots before handing it to members.

Meanwhile, 50 residential complexes were distributed in the provinces of Babylon, al-Basrah and al-Muthanna. The 1,118 flat buildings have facilities, including primary schools, nurseries, shopping centres and other services within reach.

A new quality and service cooperative was newly established as a complementary to the other activities of the Federation Cooperative Societies. Some 35 such societies were set up and 54,416 people joined them.

The societies are divided in 13 for transport, 15 for the running modern housing complexes belonging to building societies, four for various social services distributed between Baghdad and Ninawa and three for car repair and maintenance in Baghdad.

The transport society provides facilities for commuters in return for monthly fees. As for the administrative facilities, the society has started to run female university student hostels in Ninawa province. The new method will be applied in other places in the country where such hostels will be managed by similar societies. They will provide students with relatively inexpensive and quality accommodation.

The cooperative societies are expanding their services to cover such facilities as the repair and maintenance of household electrical appliances, buildings, flats, lifts, lighting of buildings and sewerage system.

Other cooperatives specialize in production of commodities and handicrafts. They provide good quality and relatively low priced goods. There are 41 such societies in the country with 10,030 members. Thirty of these societies produce clothes for men, women and children, bed sheets and curtains. Five others make furniture and three produce traditional handicrafts and cater for folk items.

There is a cooperative specialized in ceramic work, artificial flowers, leatherware and bags.

The cooperative societies in the country have so far produced 6,157,750 garments, 7,828 pieces of furniture, 9,780 pieces of folk handicrafts and 4,875 works of art or ceramic murals.

The items were earlier displayed for sale in nine exhibitions. The societies have also taken part in two international fairs, one in the Iraqi pavilion in the Baghdad International Fair (BIF) and the other in the Iraqi products exhibition in Amman. The two shows were held last April and August respectively.

There are 144 consumer cooperatives throughout the country with a membership of 650,000. The consumer products cooperatives were established to provide durable and consumer goods, especially for remote villages.

The Federation has for the last two seasons purchased a variety of goods for its cooperatives, worth 10,251,523 dinars. The money was spent on household appliances, clothes and food.

The commodities were purchased from public, private and mixed sectors.

Meanwhile, the Federation has set up a cooperative fund to help its branches by direct funding. It also invests its money in projects.

**ISRAEL****Peres Performance at Treasury Criticized**

44230068B Tel Aviv HA'ARETZ  
in Hebrew 21 Nov 89 p 13

[Article by Avraham Tal]

[Text] Everyone knows how and why it was decreed that Shim'on Peres serve the public in ministerial exile, that is to say, in the Treasury Ministry.

He came there with very little enthusiasm, in fact, like someone forced by the devil.

His heart was not in budgetary arithmetic, in the paragraphs on subsidies, not even in investment policy and growth. Nevertheless the challenge was enormous: He was handed an economy in the process of deepening recession, staggering unemployment, stubborn inflation and sluggish exports; it was up to him to turn all those

trends around, in short, to bring the economy out of the darkness and into a big light. It was a task that even a former prime minister—not to mention one who had pretensions of returning to that post—could find honor in.

It is too early to sum up and evaluate the Peres era at Treasury, but we can consolidate some impressions based on events of the last few days.

One of the most troubling phenomena is the lack of stability in his priorities. From time to time Peres gets all excited about something and will then invest his energy in it for a time with unflagging enthusiasm. Peres will convince his entourage and many in the general public that it is an important, necessary, vital issue—almost a matter of life and death. After a while the enthusiasm wanes, the issue is forgotten or even tossed into a dark corner as something unwanted.

What didn't Peres say at the time about the "social pact" as the cornerstone of economic policy and about the social-economic council as a tool to make it happen—and where is it today? What didn't he say at the time about the importance of marketing abroad and the need to act on the national level in order to improve it—and what actually got done? But the clearest example is the 100 Projects bill.

Peres was driven to the struggle with the bureaucracy like a man possessed and dragged his assistants after him (not necessarily convinced), and in the end a majority in the Knesset. How did it all end? Peres tossed the bill into a dark corner with unconvincing excuses. To this moment it is unclear whether he seriously intended to pass a bill against the bureaucracy, or whether it was simply an opening exercise. Maybe at a later stage he regretted the very idea? In any case it is doubtful if anyone believes the reasons he gave for pulling the bill back. Peres is beginning to have a credibility problem, and this time not among the tomato throwers.

Peres sometimes makes decisions that are divorced from the wider context and sacrifices long-term objectives to achieve immediate results. An example of that is the struggle to give grants at 10 percent to expand plants in the center of the country. Not only do development town representatives sharply oppose that proposal (and apparently for interesting reasons, but there are also reasons of general economic significance for opposing it); but also Treasury Ministry experts think it is a very bad idea. At the Ministry's senior echelon (which is coordinated on this issue with the Bank of Israel), there is a growing tendency to reduce grants via the law for encouraging capital investments and to target the funds saved into investment in the human and physical infrastructure in the development towns.

This is an original, bold idea and, apparently, also a correct one. But there is a problem: It will bear fruit only in the long term, and Peres doesn't have time. He prefers to see the fruit soon, quickly, now. Therefore he prefers to infuse the monies into plants in the center of the

country. If those plants are not profitable without government grants, it would be better that they not be built.

Another area in which Peres' activity arouses amazement if not more than that has to do with the barons of international capital. Peres always had a warm spot in his heart for born millionaires. In that he is no different from many other politicians, but he apparently believes that economic redemption will come by persuading half a dozen tycoons to invest in Israel.

Of course there is nothing bad in such investments, but they will not bring about redemption. To achieve that, we need a systematic effort to improve the physical infrastructure in Israel and make it attractive in terms of tax rules, permits, etc. for all investors, big and small, foreign and local. But this is hard work, protracted and "dirty," and Peres prefers quick, "clean" work on a few born millionaires, in the hope of achieving quick, spectacular results.

While doing that, there have occurred unbelievable incidents such as the deal for the "sale" of half of the Kelel firm to Robert Maxwell, a deal that Peres pushed to the point of a press conference without the "sellers," the owners of Kelel, knowing anything about it and certainly not agreeing to it. He even got upset with the heads of Bank Hapo'alim and the Discount group for not giving him the OK on the telephone. In the heat of his passion to achieve spectacular results, Peres infuriated not only the directors of Kelel and its senior people, but also the investor for whom the entire exercise was carried out.

Even as a "big shot" Peres does not get high marks.

Finally, we cannot but mention his scorn for sound administrative practices. Indeed nothing that he may do at Treasury can compare with his brilliant contrivance in the Foreign Ministry, to which Prof Cyril Northcoat Parkinson doffed his hat: overall director and political director at the same time.

But Peres' bureaucratic chicanery at Treasury doesn't reflect even the ability of a little boy. A while back he "arranged" a new branch at Treasury for his confidant Dr. Nimrod Novick, composed of units that, as far as anyone can tell, worked fine until then.

There is no doubt as to why Novick got his branch: The immediate result of the marriage will be the granting of general director perks, with all that implies. Some day the confidant will retire along with Peres, but the job of branch head with the general director perks will remain forever. This week we found out about general director perks offered the deputy tax commissioner who did not win appointment as commissioner. This, too, is a dangerous precedent: Sooner or later other deputy branch chiefs at Treasury will demand similar status. Peres will go, but the "French precedent" will remain.

As we said, it is still too early to sum up the Peres era at Treasury, but the stones he is leaving on the road arouse amazement at the price of his accomplishments, if there are any.

### Government Approved Cuts in Own Budget

44230068D Tel Aviv HA'ARETZ  
in Hebrew 4 Dec 89 p 3

[Article by Moshe Reinfeld, HA'ARETZ economic correspondent]

[Text] Prime Minister Yitzhaq Shamir and Treasury Minister Shim'on Peres set up a two-minister committee, Moshe Shahal and Dan Meridor, to find sources for a cut of 150 million NIS [new Israeli shekels] from the government budget for 1989. The government decided yesterday that a group of ministers will determine the government position on how to cut that sum so as to transfer it to the general reserve for immigration absorption. Fifteen ministers voted for the resolution and six against—Navon, Hammer, Moda'i, Nisim, Patt and Qatzav (Ministers Patt and Moda'i are abroad and Qatzav voted for them), and two abstained—Rabin and Shahal.

The government also decided to authorize an additional budget for 1989 totalling 4,375 billion NIS.

Some of the participants levied strong criticism during the session at the intent to cut the budget. Minister of Education, Yitzhaq Navon, said that he would not only oppose any cut but he would also demand a special increase in order to bring back instruction time that was cut and to institute a long study day. In his opinion it is absolutely absurd to cut educational institutions at the height of the academic year. Navon announced that in the coming weeks his ministry will begin a test of a long study day at four development towns and, by agreement with the treasury minister, will institute that program in all development towns and rehabilitation neighborhoods in September 1990.

Defense Minister Yitzhaq Rabin said he feels uncomfortable because the 150 million shekels stand in contrast to the supplement given this year to defense.

Energy minister Moshe Shahal attacked the Treasury during the session: "There is no sense in a budget cut unaccompanied by reorganization of government budgets. This cut hurts education and deepens the poverty line," he said. In his opinion all the money they want to cut could be gotten by increasing the dividends of government corporations and government federations and by selling property.

He noted that the ratio of expenditures to social services and income insurance in the budget grew from 38 percent in 1984 to 45 percent now, while the ratio of expenditures to education dropped in the same period from 35 percent to 30 percent. In his opinion this

development reflects an irresponsible attempt from the public point of view to reduce the dimensions of poverty.

The minister of police, Hayim Barlev, said that a 3-percent cut across the board is wasteful to the government and that what is needed is to add rather than subtract money.

Housing and Construction Minister David Levy strongly opposed the proposal to condition the budget for the immigration absorption on a cut of 150 million NIS. About the additional budget for 1989 David Levy said that it would be no solution to the problem of serious unemployment, nor to the encouraging signs of waves of immigration.

Interior Minister Arye Dra'i said that there was already a cut within the additional budget, that the local authorities had not received compensation for the full rate of price and salary hikes. Therefore, in his opinion, there was no justification for the proposed cut. He added that a cut of 9 percent in 4 months did not seem reasonable. He also said that in a year of struggle with inflation, one should consider removing housing costs from the calculation of the consumer price index because of their exceptional rise. Minister of communications Gad Ya'aqobi said that the additional budget is "spilled milk." Were it not for the recession, said Ya'aqobi, the real deficit in the budget would be two and one-half times as large, which would mean added fuel to the fires of inflation.

Minister Rafi 'Adari said that this would not be the last additional budget since the government would need yet another additional budget for immigration absorption. In his opinion the government could muster the revenue of 8 to 9 billion NIS, most of it in foreign currency, within 3 or 4 years, by selling government property like 50,000 of the 120,000 apartments it owns, the sale of the banks' corporate assets and the sale of the banks themselves. 'Adari proposed giving to young couples and discharged soldiers the same terms given to immigrants.

Minister 'Ezer Weizmann said that the intifadah alone cost the economy, directly and indirectly, \$1 billion. The food sector alone suffered \$100 million damage.

As to the proposed cuts, Weizmann said that he is prepared to give up his ministry "and there you would have 6 million NIS."

Peres noted that transfer budgets almost doubled in recent years to 8 million NIS, and that is the biggest budget apart from debt repayment. "What is the logic of rich people getting an allocation for their first child," he asked? He noted that there were unexpected expenses this year such as the increment for the war against the intifadah.

### Soviet Immigration Said To Cause Crisis

44230067D Tel Aviv YEDI'OT AHARONOT  
(Supplement) in Hebrew 7 Dec 89 p 1

[Article by Yisra'el Tomer and Dani'el Kipper]

[Text] Here it comes. The big social explosion. Those things that were subterranean whispers are now beginning to burst out. A torrent of immigrants is about to arrive from the Soviet Union, and at least part of the inhabitants of the Jewish State, it now seems, don't really want them.

It all began, as it were, as an innocent story. MK [Knesset Member] Eli Ben-Menahem, a member of the Labor Party from the neighborhood of Kfar Shalem in Tel Aviv, decided to establish a lobby for the neighborhoods in the Knesset. He invited representatives of neighborhood committees from all over the country to a founding convention of the lobby. About 200 persons appeared, filling to overflow the lecture hall on the first floor of the Knesset. Several members of Knesset who had joined the new lobby also came.

In general, citizens are invited to the Knesset in order to hear their representatives. Afterwards, no time is left to hear the citizens. Indeed, at this convention members of Knesset also spoke. But this time, the people of the neighborhoods spoke first. And they spoke from the heart.

From the beginning, MK Ben-Menahem felt that something was liable to burst out in the wrong direction. He tried to balance things in his opening words. "Today, when half a million citizens are living beneath the poverty line, the state must maintain a balance: to absorb new immigrants, but also to improve the conditions of the veteran immigrants, the residents of the poor neighborhoods."

Shouts were heard from the hall: "Immigrants shouldn't be brought before our problems are solved!" There was stormy applause.

The one who heated up the atmosphere was Yemin Suissa, a neighborhood spokesperson from Jerusalem. "The truth should be spoken, and things shouldn't be papered over: We will not accept the Russian immigrants with applause. The Russian immigrants are a punishment for Israel and not a blessing. The State of Israel doesn't have the money to absorb a million immigrants. Let them first ensure apartments for the young persons in the neighborhoods." Pandemonium breaks out. A few persons dissociate themselves from these strong words. The majority agrees. The cry is heard, "Let the immigrants live in transit camps and give cheap apartments to our youth!"

It was impossible to escape the conclusion: Israeli society, with widening gaps, will find it difficult to absorb mass immigration.

The complaints voiced by the people of the neighborhoods were received with sorrow among the Soviet immigrants. Former Prisoner of Zion Natan Sharansky responded yesterday: "I am very sorry to hear the words of Suissa and the others. We are at an historic hour. We must understand that the immigration from Russia is bringing with it great development for the economy. Everything depends on the absorption of the hundreds of thousands of Jews who will come.

"It's worth remembering that the 200,000 Jews from the Soviet Union who are already in Israel have contributed most significantly to the State, in every walk of life. We, the new immigrants, serve precisely as allies of the people of the neighborhoods. The development that the immigration will bring will also cause the neighborhoods to bloom, immigration is the future of the state. Together we will develop and grow."

Yuri Stern, an immigrant from the Soviet Union with a PhD in economics, who is the advisor of the Knesset Immigration Committee, said: "The things that I hear are very painful for me. Nevertheless, I am pleasantly surprised by the many voices that I heard from precisely the opposite direction. What happened in the Knesset is a political provocation. It was an attempt to exploit the distress of strata in the people in order to gain political capital."

### Jews Move Out, Arabs Move Into Tel Aviv

44230067B Tel Aviv DAVAR in Hebrew 29 Nov 89 p 3

[Article by Natan Ro'i] txt

[Text] A significant increase in the number of Arab residents who settled in Tel Aviv, in comparison to a decline in the number of Jewish residents, was recorded in 1988 in comparison with 1987, according to a survey on trends in population change in Tel Aviv-Yaffo, which was prepared by the municipality's center for social and economic research.

According to the survey, in 1983 a total of 329,200 residents was recorded, of whom 317,800 were Jews and 9,700 were non-Jews, while in 1988 a total of 317,800 residents was recorded, of whom 306,700 were Jews and 11,100 were Arabs. In relative terms, in 1988 there was a decline of 0.5 percent in population, in comparison to 0.2 percent in the previous year.

Menashe Hadad, the institute's statistician, says that a separate examination of population size by religion indicates a change in trends: The Jewish population is gradually shrinking, with the rate of change declining gradually from 1.3 percent in 1984 to 0.4 percent in 1987, and then rising slightly to 0.6 percent in 1988.

The non-Jewish population continues to grow all the time at a rate of 2 to 3 percent. Natural increase (the surplus of births over deaths) also is in slow retreat, from 884 in 1984 to 432 in 1988.

This component contributes to blunting the trend of population decline in the city, whose cause is the departure of residents to other cities in Israel or abroad. The figures on immigration and emigration change considerably each year. While in 1984 there were 1,492 residents abroad, in 1988 there were 2,818 emigrants from Tel Aviv.

Also, if the urban trend is due to areas where the population is aging, in the heart of Tel Aviv there is a trend of young settlement, in contrast to all the other parts of the city.

### **New Settlement Concept Proposed in Negev**

*44230067E Tel Aviv DAVAR in Hebrew 7 Dec 89 p 9*

[Article by Arye Iser]

[Text] An article was published in DAVAR some time ago about the depopulation of the settlements in Ramat Hanegev. The report should have appeared in the context of the anniversary of Ben Gurion's death, for settlement in the Negev was his foremost desire, and it is usual on the memorial of an historic figure to ask what part of his vision has been realized. But I am not writing this article in order to criticize, but rather to point also to openings for hope.

In my estimation, along with the known causes of the crisis that is hitting the settlement movement in the country, there is an additional reason for the crisis in Ramat Hanegev—the inflexibility of the settlement system. That is, the settlers have only three possibilities: kibbutz, moshav (with the intermediate possibility of a cooperative moshav), and development town. These options are not suited to the special conditions of Ramat Hanegev. Thought must be given to a new form of settlement, which would be better suited to the social and physical conditions of this desert area, and would attract both demobilized soldiers and older persons.

I once proposed a special form of settlement for a village that would be established on Ramat Tziporim, the plain that borders the plain of Zin. I proposed that it be called "Kfar David." It seems to me that this form of settlement could be appropriate also for other places in Ramat Hanegev.

The reference is to a village that would be organized as a corporation. Every settler would hold a share in the agricultural property of the village. The property would be worked by a small group that would receive a basic salary from the rest of the settlers and, in addition, would have special shares that would provide its members with income from the profits of the common agricultural enterprise. These special shareholders would comprise 20 to 30 percent of the members. All the others, 70 to 80 percent, would be regular shareholders and would work outside the village. In the region of Ramat Tziporim, for example, the nonagricultural population would find jobs in the industrial park in Ramat Hovev, in institutions in

Sde Boqer, or at the Ramon airbase, while the agriculturalists would cultivate the pistachio orchards that could be planted throughout the region.

The problem of the labor shortage for these orchards, which is seasonal, could be solved by requesting the assistance of the nonagricultural population or by mechanization, in which the company would invest.

Needless to say, each settler would be able to set up for himself an auxiliary farm, such as a hothouse or any other installation that he could use to supplement his income.

As mentioned, in the mountainous area, the public farm would be based mainly on pistachio orchards. In the low plains of loess and sand it would also be possible to develop areas of fodder and other crops, which would benefit from the large quantities of warm and brackish water in the region.

In addition to agriculture and a common agricultural project for the settlement, it would be possible over time to develop industry, whose shares also would be held by the settlers. The most desirable thing would be for this industry to be based upon the agricultural products that the village produces, and the reference is, of course, to sophisticated industry: for example, a food industry that would be based on the products of the settlement (like the meat industry of Mizra), but also any other high-technology sophisticated industry that could be cooperative in the sense that the members of the village would also be employed in it and its shares would also be held by the other settlers.

The location of the settlements must be determined according to two criteria: one, land and water, the basis for a cooperative farm; the other, a place of work for the nonagricultural families. These can be the military, public, and industrial installations in the region. In addition, it is also possible to develop desert tourist sites. For example, Ramat Tziporim could make a living also from a tourist park, which would include the reconstructed city of 'Avdat, the Zin works, and an agricultural safari. Brackish water was found in this region during deep drilling, in which about one million shekels were invested. Water from this drilling could change the landscape of Nahal Zin and make it into a site for mass tourism.

Another settlement could be established near Dimona. It could use the city's purified waste water, and its residents could work in the industries of Ramat Tzefah. Here, too, the development of a park could provide an additional source of income.

Even though some of these ideas popped up in one way or another, it seems to me that there is here a sketch for a new-old form of settlement: new, in the organizational sense; old, because it already exists in various moshavs, although not in an organized form. If it is cast in appropriate legal and social patterns, it will be possible to expect a new settlement movement in Ramat Hanegev.

As mentioned earlier, one of the sources of employment that I am recommending is desert tourism—but not tourism based on the barrenness of the desert, but rather on its water sources—that is, on desert oases.

Three years ago, there was a conference in Mitzpe Ramon of the Geological Society. At its conclusion, there was a discussion on the future of the Negev. I raised several ideas on agricultural and industrial development that would be based on the wealth of water that we found in the Negev. The men of the Nature Preservation Authority spoke out against this, arguing that the era of settlements changing nature had ended and that the era of conservation had begun. They proposed tourism as a source of income for the people of the Negev. Although I continue to hold my position that an entire economy should not be based upon tourism, I agree that tourism is likely to make a serious contribution to the economy of the Negev. The problem is only that, in order for it to make its contribution, there is a need for broad development, which, I am convinced, will not be viewed with favor by the conservationists, because their ideal is the desert and its desolation. I maintain that tourists will not come to desolation, but rather to a living desert, and life springs forth wherever there is water. Those places must be developed, just as other natural resources that will become tourist centers must be developed.

From my travels in other deserts in the world, I learned that all the tourist sites in the deserts have another attraction aside from the climate and the desert scenery. I do not propose, of course, the same attractions that are in Reno, Nevada—that is, centers of gambling and easy marriages and divorces—but it seems to me that our proximity to the northern countries allows us to develop tourism throughout most months of the year that would be focused around desert oases, where the tourists would find both possibilities for recreation and jumping off points for trips through the wilderness.

The water resources that we found allow us today to develop many desert oases, whose uniqueness would be sources of warm water allowing bathing throughout the year, surrounded by parks with special vegetation and pools that would attract wild animals and birds. These would be a center of attraction for nature lovers. Hunters from all over the world also would be able to find there what they seek, for the food sources for the animals around the oases would be so plentiful that controlled hunting could be allowed. The drilling in the Negev allows the conclusion that there is justification for the establishment of a network of oases and safari parks in the Negev. If we add to that the historical or archaeological sites found everywhere, there is no doubt that it would be possible to develop a unique tourist branch there.

Therefore, despite the slump in the Negev today, I am convinced that Ben-Gurion's vision of a blossoming Negev, full of man and his works, can be a reality, if we learn to free ourselves from outdated conceptions, and on the basis of new ideas for building new systems.

### Funds Allocated for Expanding Settlements

44230068A Tel Aviv HA'ARETZ  
in Hebrew 5 Dec 89 p 1

[Article by Tzvi Zarhiya]

[Text] The Ministry of Construction and Housing will pour tens of millions of new shekels [NIS] in the next few days into expanding settlements in the territories, continuing the development of the infrastructure in municipal settlements in the territories and in expanding highways in this area. An HA'ARETZ correspondent learned that monies will be paid for the establishment of the Kfar Darom in the Gaza Strip, Talmon in Samaria, and Tzoref in Gush 'Ezriyon. Community structures and new housing units will be erected in these settlements for the absorption of settlers.

Likewise 12 million NIS will be allocated for paving highways in the territories, which will improve the trans-Samaria highway in the section between the settlements of 'Elqana and 'Ari'el, the Jerusalem-Gush 'Ezriyon highway, the Ma'aleh-Bet Horon highway, and the preparation of a highway to the settlement of 'Avnei Hafetz, adjacent to Tulkarm.

In addition the Ministry will act to continue development of the infrastructure in the municipal settlements to facilitate continuation of the construction momentum in these settlements.

The infusion of funds will be carried out because of Treasury Minister Shim'on Peres' response to the demand of the Likud members of the finance committee to free up 30 million NIS for the settlements. The Likud MK's [Knesset member] told the chairman of the finance committee, MK 'Avraham Shokhet, that they would "filibuster" and delay any vote in the committee until Peres announced the freeing of the monies. Shokhet transferred that message to Peres and his deputy Yosi Baylin, who instructed the budget branch at Treasury to deliver an urgent letter to the Housing Ministry announcing the freeing up of the settlement monies.

The letter to the Housing Ministry, sent by Izzie Kaplan, the official in charge of housing within the budget branch at Treasury, said that "in accordance with the guidance of Deputy Treasury Minister Yosi Baylin, the supplemental 30 million NIS for the Ministry of Construction for new settlements are hereby released, to be broken down as follows: 12 million NIS for paving highways, 8 million NIS for village construction in accordance with the agreement between the Housing Ministry and the budget branch, and 10 million NIS for new development, with the program to be agreed upon within a week by the Housing Ministry and the budget branch." [closing quotes supplied]

**IDF Estimate Intifadah Not Dying Down**

44230068E Tel Aviv HA'ARETZ  
in Hebrew 7 Dec 89 p 1

[Article by Dan Sagir, HA'ARETZ military correspondent]

[Text] Intifadah suppression actions by the various security bodies including military activities, the penal system, and administrative and economic pressures during the second year of the uprising have been successful in preventing most of the inhabitants of the territories from participating actively in the events and in curbing active civil rebellion. But an analysis of the situation in the field recently indicates that there are no signs of actually breaking the back of the intifadah, the security objectives were not achieved and passive resistance is still rampant in all sectors of the population. That is the security system's appraisal of the situation of the intifadah on the West Bank and the Gaza Strip 2 years after the beginning of the Palestinian uprising.

The security elements believe the intifadah in the territories will continue mainly because of the activity of a hard core of activists estimated at between 10,000 and 20,000 people. These activists and the recognized leadership of the intifadah are looking for new means and strategies to strengthen the uprising and bring it back to the crowd levels that characterized the beginning of the period. According to the appraisal, despite the number of attempts at terrorist attacks recently, the mainstream will not choose the terror route. Nevertheless, there may be isolated attempts to carry out terrorist actions in order to inflame passions and prod people to action, but not as a new strategy.

The direction of future actions by the IDF [Israel Defense Force] and other organizations within the security system in the territories will mainly be to maintain the "present accomplishments" so as to try and prevent a return to the situation of massive participation in the events. Also targeted is a continuation of deterrent actions against active civil rebellion (in issues such as the payment of taxes, fees, and contact with the civil administration), war against the "hard core" activists (the shock committees and armed gangs) and attempts to reduce the phenomenon of mass stone throwing via pressure and fines on the parents of the children.

A senior player in the security system complained about the legal restrictions in everything having to do with procedures for expelling the main activists. According to him, the legal restrictions against their expulsion, particularly in the form of the right of complaint before the High Court of Justice, prevents the use of this effective and deterrent tool.

The summation by the security system refrained from any referral to the effect of the political processes on the direction of development of the intifadah. The only mention of this topic was that Israel's activity since May 1989 (the government resolution on the issue of elections

in the territories), has been conducted on two principal axes: The appeal to move from confrontation to achieving a negotiated solution, and security activity.

**Jordanian Border Less Quiet Than Reported**

44230080B Tel Aviv YEDI'OT AHARONOT  
in Hebrew 7 Jan 90 p 28

[Text] For all of this past year, the defense minister, the chief of staff, and the commanders of the Central and Southern Commands have been doing their best to persuade us that the Jordanian border is a quiet border, that the Jordanians make every effort to prevent incidents at the border, and that they want peace and quiet just as much as Israel does.

But the more time passes the clearer it becomes that both the defense minister and the high ranking IDF [Israel Defense Force] officers are succeeding in persuading no one but themselves, while residents of localities in the area begin to feel that they live in an area of hostilities just like 20 years ago. They may not have returned to live in bunkers yet, but some of them are already going out to work in the fields carrying weapons. They do rely on the IDF troops, who are doing a good job along the border throughout the year, but after four consecutive incidents in less than 1 week, it appears that personal weapons are once again a necessary insurance policy.

Three IDF soldiers were killed and five were injured in the past year in incidents on the border with Jordan. Each time, the Jordanians went to some length to explain that the incident was caused by "crazy soldiers" or terrorists who had managed to creep through the "seams." In short, they had an excuse for every incident.

The border with Jordan is not the northern border; it is described as a quiet border. However, in view of the fact that in less than 1 year more soldiers were killed there than on the northern border, we may need to draw conclusions, especially in view of the possibility that Jordan's king and his supporters may be losing some control of what is happening on their borders.

After each one of the incidents recorded on the Jordanian border in the past year security and IDF leaders stressed that it was an isolated occurrence not indicative of the situation prevailing the rest of the time. In September 1989, after a terrorist infiltrated the Kfar Rupin area and killed two IDF soldiers and wounded a third, Defense Minister Yitzhaq Rabin said Jordan will have to consider the consequences of continued terrorist actions against Israel from its territory. Rabin said he had no doubt that Jordan's opening up to terrorist organizations in the past year permits them to carry out terrorist actions from its territory, and stressed that Israel will not allow Jordan to serve as a terrorist base against it.

Five days later several Katyusha rockets were fired from the Jordanian border toward Kibbutz Sha'ar HaGolan, and 1 week later a Jordanian soldier opened fire toward

an IDF patrol near Kibbutz Ashdot Ya'aqov, wounding two soldiers. It would seem that Rabin's message had fallen on deaf ears.

Last week there was another wave of incidents along the border with Jordan, all in the same area. IDF officers reiterated that they viewed Jordan as a responsible factor, that the border was nevertheless quiet, that life had returned to normal, that there was no significant change in Jordan's policy, and that the Jordanians were doing the best they could to prevent terrorist actions from their territory.

The security apparatus and the IDF must stop trying to please Jordan. They must view the Jordanian border as a hostile front and give a lot of thought to what has been happening there in the past year. Appeasement toward Jordan can only encourage similar occurrences in the future. The fact that the past week ended without injuries on the Jordanian border should be attributed to luck. Similar incidents may in the future end far more tragically.

Israel must adopt a tougher stance toward what is happening on the Jordanian border, rather than be content with statements that may be good only as press headlines. The warning signal must go on now, rather than wait for the next incident.

#### **New Vehicle Attack Method in Galilee**

*44230067F Tel Aviv DAVAR in Hebrew 4 Dec 89 p 2*

[Article by Yosi Leibovitch]

[Text] The Galilee region police believe that a new method of attacking public and private transportation is developing in the Western Galilee: staging ambushes using roadblocks made of stones and throwing stones from hiding places at vehicles and drivers when they stop at the roadblocks.

Yesterday before dawn, a regular soldier aged 20 from Kfar Vradim was on his way home when he encountered a large roadblock made of stones, about 400 meters from the village of Tarshihah. The soldier was forced to stop his vehicle, and when he got out a shower of stones was thrown at him.

The soldier turned back, sped to the Ma'ona police station, and asked for help. A large police force, accompanied by a tracker, found the footsteps of several figures that the soldier had seen, but no one has yet been apprehended.

One week earlier, a driver from Tefen was stopped when a similar roadblock of stones was placed on the road leading from the village of Dir al-Asad to Tefen. A shower of stones was also thrown at this driver when he stopped. The police, who were called to the scene, later captured a 16-year-old youth from the village of Dir al-Asad, who, according to the police, admitted to the act. His detention was extended by 2 days in the 'Akko

Magistrates' Court, and his file was sent to the prosecutor's office for the preparation of a charge sheet.

Several days earlier, a jerrycan was thrown at a bus on the road leading to Mitzpeh Aviv. There were also attacks on private vehicles near the villages of Makhar and Majdal Krum, which also were from staged ambushes.

#### **IDF Chief Judge Advocate Criticized**

*44230080D Tel Aviv HADASHOT  
in Hebrew 4 Jan 90 p 21*

[Article by Yehuda Meltzer]

[Text] We read in the papers that Brigadier General Strashnov gave a speech at a Jewish jurists' convention held at the Dead Sea. That was his first address since the slap he received from the Higher Court of Justice in connection with Colonel Yehuda Me'ir. In view of the chief judge advocate's impressive silence during this truly difficult period for him—perhaps the most difficult that any chief judge advocate ever experienced—now that he already broke the silence, he could have been expected to try to show that he has learned something. But he hasn't.

The chief judge advocate does not understand his mission. Because of all the trees he cannot, or will not see the forest. And the trees are ever so many! Even if we accept his figures or those of the IDF [Israel Defense Force] spokesman, rather than foreigners' figures, which are different, they are still frightening: tens of thousands in administrative imprisonment, indictments, minor transfers, demolished houses, and at the same time trying to preserve a system that even pretends to act as a system of justice. It's not easy. There is a limit to how many additional jurists can be mobilized, not to mention that they must have a thorough understanding of the right legal spirit.

Nevertheless, the end objective must be kept in sight despite the great load, otherwise every rabbit and every fox may think that they are the lion king and decree some procedure here, some other hasty procedure there, and all kinds of short cuts. A picture of what is going on in the mind of the chief judge advocate can be pieced together from statements coming from him, from the chief of staff, and from younger advocacy staff, who are also talking. He thinks that he has to be the IDF's lawyer, or the lawyer of the entire state, and to do this job so as to satisfy his bosses, who undoubtedly know what is best for the IDF and perhaps for the country. From what academy does he derive the profound understanding and professional knowledge to tell Jewish jurists (what other conventions will they come up with!) that "From my inner feeling and knowledge"—just so—I know that what we are doing at the intifadah trials is "according to Jewish tradition?"

God preserve us. Is this the way to talk after what the High Court of Justice had to say? At this week's meeting

of the Foreign Affairs and Defense Commission, the chief of staff rushed to defend the chief judge advocate against all protests that he was evading his responsibility. He said that the chief judge advocate actually wanted to put Col Me'ir on trial, but I—that is how Dan Shomron bares his chest—changed that. He deserves all our respect. This is the chief of staff that Strashnov in March 1988 furnished with the famous message from battalion commanders concerning what is permitted and what is forbidden, and it should have been seen how effective it was when the chief of staff testified at Giv'ati. That's when everyone finally wrote what all those who wanted to know, knew, namely that the message did not come from Strashnov alone, but contained amendments and cuts which later became the final and obligatory version, which Strashnov swallowed. "In the chief of staff's document, Strashnov's binding decisions became most general and whole sentences were deleted, while Strashnov didn't say anything."

The chief of staff went to Giv'ati armed with a legal document that was not exactly what Strashnov had written. Strashnov was defended before the Foreign Affairs and Defense Commission by the chief of staff for a legal failing that was chalked against him in the Me'ir affair. And now, 2 days before the publication of the amnesty report which states that the killings were in keeping with procedures (Strashnov's procedures), the chief judge advocate stands up and speaks before Jewish jurists; now, at the 12th hour before the entire legal defense system collapses in military and civilian courts, instead of grasping that this may be the last opportunity to establish some order, he chatters before Jews at the Dead Sea: "The world expects a higher morality from us, and I am convinced that we deserve that expectation and will continue to deserve it in the future." What world? Strashnov would do better to listen to his young staff, instead of preparing for his engagement in Florida after retirement. Faced with accusations of violation of human rights, he says, "Not right and not fair," instead of saying: We will continue to investigate and punish.

"Close sources" say that he is a good jurist. But he will continue to be destructive as long as he doesn't understand what his job is:

- Not to defend the defense minister
- Not to defend the chief of staff
- Not to defend their policies
- Not to cover anyone's back
- Not to all of a sudden act like the Lubavitcher Rabbi.

But to be a strict jurist at this trying time for the military justice system, and to understand once and for all that it is not true that we have to balance considerations of justice and of security. Your domain is justice. Rabin will take care of security in his wise and Jewish ways. You take care of the law. That's the balance.

### Arguments Against Foreign Funds to Arabs Noted 44230080A Tel Aviv YEDI'OT AHARONOT in Hebrew 4 Jan 90 p 19

[Article by Tzvi El-Peleg]

[Text] A few thousand dollars earmarked for the Arab-Israeli Association, which helps people in need, will not reach their destination. Dr Khalil Nakhlah, chairman of the body that made the donation—the Organization for Cooperation, in Geneva—a few days ago cancelled the money transfer on clear and simple grounds: He had learned that the above-mentioned association had received aid from an Israeli Government source.

At the same time, Nakhlah, who comes from the Galilee village of Rami, continues to support other Arab organizations in Israel. He sends funds to cultural and sports clubs, libraries, kindergartens, and other bodies. Activists of such bodies claim that this is nothing but humanitarian aid, not unlike the aid that the state collects from Jewish donors in the diaspora. They add that the money is designed to cover needs that the state is not supplying to the Arab sector—which is in many cases correct—and stress that there are no political strings attached to the donations from Geneva.

That argument, however, is doubtful. It is reasonable to assume that the source of the funds is the PLO or Arab countries acting on its initiative and guidance. First of all, had it been otherwise, we would have heard something about the identity of the "humanitarian" donors. After all, anonymous donations are not frequent occurrences in Arab society. Secondly, everyone knows that since the 1970's the PLO has been emphasizing the need to support the struggle of 1948 Arabs.

Thirdly, Khalil Nakhlah's philosophy is not a secret, either. Toward the end of 1980 he published a series of articles in the Saudi paper AL-SHARQ AL-AWSAT appearing in London, under the unmistakable title: "The Arabs After 32 Years of Israeli Oppression." In those articles he listed the following objectives for Israeli Arabs: "To take over all local authorities; consolidate all the organizations established since the first 'Land Day' in 1976; expand the network of associations, movements, and clubs dealing with political and social objectives; stop viewing the Knesset as a forum for expressing protest and stop participating in it; not to be elected and not to vote; influence progressive Jewish groups opposed to Zionism."

Israeli Arabs have genuine problems concerning equality and identity and the State of Israel must make serious efforts to resolve whatever can be resolved. At the same time, however, it must put a stop to the influx of funds for which Israeli Arabs are required to pay in nationalist extremism.

If developments continue along this line, coexistence will become impossible in Israel. Both Jews and Arabs will then have ample reason to regret not having halted the process while there was still time.

## Israeli Arabs' Attitudes Examined

### Arab Students Surveyed

44230068G Tel Aviv YEDI'OT AHARONOT  
in Hebrew 12 Dec 89 p 19

[Article by Ahmad Tibi]

[Text] Under the headline "An Unhappy Survey," the government's advisor on Arab affairs expressed his opinion in this column that the survey conducted by the "Arab Academicians' Circle in Israel" of Arab students at the Hebrew University does not indicate moderation and pragmatism, as its editors concluded, but rather extremism in the positions of the Arab public.

We, the editors of the survey, reiterate and emphasize the following fact: Before the outbreak of the intifadah, 17.7 percent of those asked favored the solution of the establishment of a Palestinian state "within the entire territory of Palestine." That number decreased drastically after the outbreak of the intifadah and the political developments accompanying it, to just nine percent. By the same token an overwhelming majority was for the establishment of a Palestinian state alongside the State of Israel. It is worthwhile to remember in this connection that the students are very politically conscious and involved and are considered the most active group among the Arab population of the country. It must therefore be supposed that if the entire population were surveyed, support for the establishment of a Palestinian state "in all of the territory of Palestine" would be even smaller.

More than that, the 97.8 percent who expressed their desire to remain in the State of Israel, even if a Palestinian state were to arise, was a higher rate than expected. This finding does not exactly point to what the advisor on Arab affairs wrote, that the State of Israel "has succeeded in bestowing on its Arab citizens a good economic, social, and civilian feeling that they would not want to change." In our view, we are talking about a strong bond with land, home, and homeland, with no connection to the economic or social situation of every individual, within a desire for real solid integration into the life of the society and the country. This is also a crushing response to the theory of "voluntary transfer" or of involuntary transfer.

It should also be noted that about 66 percent of those asked chose the National Council of Local Authority Heads and the "Higher Tracking Committee" as their representatives—as compared to only 4.45 percent who chose the PLO. It is clear from this that the Arab citizens of the State of Israel see their leadership as here in Israel. It is elected leadership that wins their confidence and faithfully represents them and their interests.

The Arab citizens of Israel well recognize the fact that a solution of the Israeli-Palestinian conflict is the interest of their brethren on the West Bank, the Gaza Strip, and the Golan Heights. The political fate of Israel's Arabs was long

ago decided to be that of a national minority within the framework of the State of Israel. They are also convinced that the solution of two states for two peoples will remove their continuing yoke of discrimination imposed by the central government and will lessen the tension between citizen and authority. Meanwhile the government would do well to abolish the position of Ehud Olmert as minister of Arab affairs and permit us direct contact with the authorities, like the Jewish citizens.

We are upset by the fact that the few discussions within the government about Israel's Arabs are always conducted in terms of security. Beyond that the advisors on Arab affairs always come from the defense and intelligence system. This is a negative point of departure in the relationship of the state to 18 percent of its citizens. The situation of the Arab population and relations between it and the authorities will improve immeasurably when the "experts" of all stripes stop seeing us as a security burden.

(The author, a physician by trade, is the chairman of the "Circle of Arab Academicians in Israel.")

### Arabs Less Interested in Rapprochement

44230068G Tel Aviv HA'ARETZ  
in Hebrew 8 Dec 89 p 7A

[Article by Nili Mandler, HA'ARETZ correspondent for educational affairs]

[Text] "I am ready to sit down at a table with members of the other people"—to this statement, included in a survey of Arab student opinions about Jewish students, fewer Arab students responded positively this year than last. In 1988, 94 percent of Arab students in the university section of the kibbutz movement's 'Oranim college responded positively to this sentence, whereas this year only 73 percent responded positively.

There was also a drop in the number of Arab students who responded positively to the sentence "I am ready to host someone from the other people in my home." (85 percent this year as compared to 94 percent last year) To the sentence "I am ready for a member of the other people as my partner at work," only 59 percent responded positively this year as compared to 75 percent last year. To the assertion "I am ready to live in the dorm with a student from the other people," 47 percent of the Arab students responded [positively] as compared to 69 percent last year.

There was also a drop in the percentage of Arab students responding this year that they do not dare to voice their opinions to a Jewish student. Only 29 percent said that they don't dare express their opinion as compared to 50 percent last year.

The research was conducted by a team headed by Rivqa Peleg of the Institute for the Study of Kibbutz Education at 'Oranim College. Among the researchers were also Dr. Peter Lamish of the Department of Education of the university section of 'Oranim and Dr. Hatim Huri, an

Arab teacher from Haifa who teaches at 'Oranim and in the Arab seminar and supervises biology studies in the northern district in the Ministry of Education.

"Most of the findings point to an increase in dissociation from closeness to Jews as compared to the findings of 1988," says Peleg. "Since the most influential factor in this period on Jewish-Arab relations is the intifadah, it would seem for the moment that the changing tendency is to be attributed to it." According to her, the rise in the percentage of Arab students who dare to express themselves in front of Jews bolsters this position. "There is a clear tendency of strengthened national pride among Arabs that must be attributed to the intifadah," Peleg avers.

It should be noted that while the latest research concentrated only on the positions of Arab students, the research last year also examined the positions of Jewish students. Despite a drop in the willingness of Arab students to have closer relations with Jewish students, the desire for contact among them is still stronger than the desire for contact with them among Jewish students.

### Submarine Project Postponed

44230080C Tel Aviv YEDI'OT AHARONOT  
in Hebrew 4 Jan 90 p 12

[Text] The IDF [Israel Defense Force] does not have the money to carry out the submarine project, and if appropriate financing is not identified so that the project can be paid for in full, it will be postponed or scrapped.

This was stated yesterday at a General Staff meeting which dealt with redrafting the IDF's yearly and multi-year work plan. The meeting was attended by General Staff branch chiefs and corps commanders.

At the meeting, which was called because of the NIS [new Israeli shekel] 912-million deficit in the defense budget caused by uncovered uprising expenses in the territories, the generals identified several projects that can be postponed, including the submarine project that was recently approved by the West German Government.

No decisions were made on the project and it was in fact decided not to change the previous implementation decision at this stage.

At the same time, it was explained that the defense apparatus will continue to seek sources of financing for the project, which was scheduled to take about 5 years. "If funds are not identified for the entire project—about \$570 million—it will not be possible to carry it out," a senior IDF officer said yesterday, adding: "At this stage I don't see where the money can come from."

During the meeting the chief of staff instructed the branch chiefs, including the Manpower and Logistics Branches and the corps commanders, to prepare programs for cuts in their units and present them within a

few days. That is because the IDF is scheduled to present its revised work plan in the next few days.

According to a senior source, at this time it seems that important projects will have to be cut, including improvement of combat means, troops strength, and reserve troops training, due to drastic cuts in reserve duty.

In addition, the IDF will postpone the acquisition of certain electronic systems, and the logistics apparatus will have to postpone supplementing stockpiles (that were used up in the past 2 years). Similarly, emergency supplies will also be postponed.

### Poverty Worse Than in Recent Report

44230068C Tel Aviv HA'ARETZ  
in Hebrew 7 Dec 89 p 13

[Article by Ron Cohen]

[Text] The slip of the tongue by MK [Knesset Member] Yosi Baylin, deputy minister of the treasury, and the surprise support, as it were, that he got from the Prime Minister, impelled the weekend papers to publish authentic stories of hunger and to focus attention on the equation: Poverty=Hunger. It is too bad that this erroneous focus ignores the fact that this report is better than things are in real life and that concern should be exploited not for reactions of pity or sorrow but for exposing the orphan face of poverty—organized thought about the generation that will grow in 10 or 15 years from the populations of poverty located today.

The hints that the situation is not so severe and that the data may be seriously flawed have no basis. There is no doubt that real life is harder than portrayed in the National Health Service report. Statements accompanied by a knowing wink of the eye to the effect that there is undeclared income in the low economic strata pale in comparison to the black market at the high income levels. Comforting self-deception cannot turn the dull grayness of life white.

The situation in the field is harder than in the report. This is because the data from 1988, in which year the report was put together, are less harsh than those of 1989, in which unemployment is more rampant, salaries have been eroded at the lower levels (the minimum wage is now 41.5 percent of the average wage instead of the 45 percent required by law), and because the poverty line is an arbitrary concept fixed now at a lower level than ever before. It says, for example, that a couple with a monthly income of 780 NIS [new Israeli shekels] or more is not poor and that income of 9.5 NIS per day per person for a family of seven does not classify it as poor. Are we really to believe that life at these income levels does not constitute penury?

We need to adopt a bit of social sensitivity and logic, to adopt a meaningful poverty line closer to a standard and a quarter of what is currently accepted. By that measure,

for example, a family with seven children would be considered poor if its per person income were less than 10 NIS per day. Such a poverty line shows that there are 901,000 people below the true poverty line, of whom 537,000 are children.

Even if we return to the report and believe its data, according to which 223,000 children are below the official poverty line, the question that should frighten everyone of us is: What will this generation of poverty produce for Israeli society? I have not come across any serious research that establishes the dimensions of such issues as: the connection between poverty at its various levels and lack of fitness for the IDF [Israel Defense Force], its influence on the illiteracy rate and the lack of professionalism in the future, or on the scope of crime and prostitution in the future, or on the number of children who will require special remedial classes and especially—what the contribution of this generation will be to the next generation of poverty. Certainly it is a necessary connection. Given the lack of clear measures, we can only try to estimate through speculation as to the scope of these future phenomena.

Even if we accept the easy assumption according to which the rate of those unfit for the IDF draft will remain at 2.5 percent because of unsuitability (apart from approximately 5.5 percent "yeshiva students" and another 4.5 percent who are children of emigrants), the growth in the youth population unfit for the draft will stand within 5 years at close to 3,000 young men a year. These are two groups that will not serve in the IDF but will serve well in other dangerous areas, and their number will increase over time.

More than 80 percent of Israeli criminal prisoners (5,500 now) came from poor homes, and about 115 of them are serving life terms for murder. Their rate of increase in 1982 was about 3 to 4 percent and has gone up since 1983 to about 10 percent or more. Simple calculations show that without effective social brakes, the number of prisoners will increase by about 2,400 to 2,500 people within a few years. If we take into consideration that the annual cost of maintaining a prisoner is about \$10,000 and that crime itself exacts a high cost in lives and property, we get a rather sordid picture of the social future that awaits us. We don't need more examples to recognize that the danger is not limited to poor families and that the phenomenon represents a danger to the image of the entire society.

The report should frighten and goad into action even those who have no direct contact with the subject. There is no chance of holding back the spread of poverty if we continue with an endless increase in allocations from unknown sources. The only real chance is to increase the economy's production and wage capability.

More people need to have decent paying jobs, and to accomplish that we need to invest more in education,

learning, and acquiring modern professions. It is important to develop work places in which high labor productivity allows the recouping of a sizable portion of human investment in the product so as to pay a high, deserved wage.

### **Bank Hapo'alim Seeks Greater Profitability in 1990's**

44000162A Jerusalem THE JERUSALEM POST  
in English 22 Dec 89 p 15

[Interview with Eytan Berglas, chairman of Bank Hapo'alim, by Avi Temkin]

[Excerpts] The 1980s has been the most troubled and turbulent decade in the history of Israel's banking system. These 10 years have left behind not only a battered image among the public but also the need to ensure profitability in an increasingly risky and uncertain environment.

Bank Hapo'alim's chairman Eytan Berglas says he is confident that profitability will rise in 1990, although the extent will depend on how much economic activity recovers. Berglas thinks the banking system, and Hapo'alim in particular, have left behind most of the need for large debt write-offs.

"The amount of write-offs in recent years was also the result of our desire to make all the necessary adjustments," said Berglas. As a result the amounts that will be written off in the coming years will drop.

Profitability was badly affected in 1989 by a "scissors" effect, with bad debts on one blade and the need to cut financial margins on the other. The narrowing of margins was more or less imposed on the banking system by the Bank of Israel. Berglas still thinks that there was an excessive focus on this one element. Israel is the only country in the industrialized world where there is such information about the differences in the financial margins between long-term and short-term credits.

He says that while the central bank put such stress on the margins, it neglected to remind everyone that commissions for services were frozen and that they did not cover the costs of banking services offered to the public.

According to the chairman of Hapo'alim, the public should not expect in 1990 to see a further drop in interest rates or an additional narrowing in margins. There will always be the need to cover costs of managing current accounts and the risks have increased, so the present interest rates on short term loans and overdrafts seem to be adequate.

Berglas stresses that despite the economic slowdown of the last two years, the narrowing of margins and the crisis which affected large parts of the business sector, Hapo'alim was able to keep its profitability at levels above those of the banking system as a whole. This, he

says, was the result of the bank's efforts to cut operational costs at the same time that the extent of its activity rose.

The chairman also attributes the bank's ability to weather the storm to its new strategy, which stressed raising the share of the bank's credits to small and medium-sized clients, at the expense of the large individual borrowers. The shocks of recent years, which brought financial distress to one sector after another, affected Hapo'alim in particular, given its traditional strategy of close relations with large borrowers. Developments have taught Hapo'alim that the old textbook advice of spreading risk among a large number of clients as still a solid basis for banking operations.

But Berglas is well aware of the limits of this strategy for the banking system as a whole. Someone has to assume the role of lending to large borrowers. What is applicable to one individual bank cannot be implemented to the banking system as a whole.

Besides, he says, a bank cannot entirely run away from risks: "we always dealt with risk and we will continue doing so." Hapo'alim, like any other bank, cannot decide that it will deal with first class credits only. The challenge is to choose the credit portfolio that minimizes risk, Berglas says.

But here the danger of being hurt by another type of "scissors" is very much visible. On the one hand the economic environment in Israel is becoming more risky. The natural answer to this would have been to diversify into other kinds of activities which could sustain the banks' profits. But in Israel both public opinion and supervision authorities are putting pressure on the banks to disengage from what they consider non-banking operations, a clear legacy of the 1983 crisis.

Developments abroad are not entirely devoid of similarities to what has happened in Israel. There is an increasing requirement for capital adequacy, which stresses minimum equity-to-credit ratios. At the same time the banks abroad are watching their large and best clients turning directly to the capital markets for credits, leaving them with the riskier borrowers. The result of these two factors has been that banks abroad have been moving increasingly into areas from which they were traditionally excluded, such as underwriting flotations in the capital market or partnerships in non-banking operations.

"These processes were not foreseen by the 1983 Bejski Commission of Inquiry," he says. In the last years, within the reform of the capital market, there has been an increasing tendency by many companies to use bank services to raise funds in the capital market through the commercial banks, which shows that there are very clear limits to the possibility of separation between the banking and capital market operations of the banks.

Hapo'alim is also looking into another area of diversification, its operations abroad. Berglas says that in its

working plans for the coming years the bank assumes that as of 1992 it will have the capability of operating in a number of countries from a single base abroad and that foreign currency regulations will be much more liberal.

These factors are clearly related to the creation of a single market in post-1992 Europe. Berglas says that Hapo'alim is to reach a decision during the next year about its preparations for the single market. The bank is already considering the possibility of establishing a subsidiary in an EC country that would enable it to get a banking licence to operate in the EC. It is unclear to what extent the bank would engage its services and operations through its subsidiary abroad, but the licence would give it freedom of decision.

Back at home, Berglas sees a larger, not a smaller, involvement of the banks in the business sector. This is part of the legacy of the financial crises in the business sector in recent years, which left the banks in many cases deeply involved in the supervision of restructuring and recovery programmes in the kibbutzim, Koor and a large number of firms, including those which are now showing a return to profits.

Berglas says that as creditors of many of these firms, Hapo'alim has a formal status in directing recovery efforts. This is understood by most of the firms involved. He recognizes that the kibbutzim are resentful of this role of the banks in the management of their economic affairs. But he sees this as a problem of public relations. "We are interested in implementing a realistic programme. The banking system and the government will contribute their share but so must the kibbutzim," says Berglas. The kibbutzim debt arrangement will offer them a good chance of recovering, he thinks. [passage omitted]

For Berglas, the increasing involvement of the banks in the business sector serves to illustrate his opposition to the bill that would equalize the voting rights of the bank shares and transfer ownership of the government immediately.

"Anyone who thinks the government should not be involved in business should think that would happen once the bill is legislated. All efforts to keep the government at arm's length from the banks' management would simply fail," he says. According to Berglas every chairman of the commercial banks would run to the finance minister each time there was an important issue to solve. "The finance minister would be the controlling shareholder and he would have to take the decisions."

Had the kibbutzim arrangement been signed when the bill was already legislated, the result would have been simple: Finance Minister Shimon Peres would have been forced to make a decision as representative of both the government and of the major shareholder of the banks. That, in Berglas's opinion, underlies the absurdity to which the bill could lead.

**Geographer on Transfer Policy, Galilee Demographics**

90OL0158A Tel Aviv BAMAHA  
in Hebrew 12 Dec 89 p 16-19

[Interview with Professor Arnon Sofer, dean of the School of Social Sciences in Haifa, by S. Qarniy; date, place not given]

[Text] [BAMAHA] Prof Arnon Sofer, geographer, dean of the School of Social Sciences in Haifa, what are you researching?

[Sofer] I deal mainly with Israel's geography, and I would say that my laboratory is the Galilee and the Middle East.

[BAMAHA] Israel, I understand. But, why the Galilee?

[Sofer] All of our lives are governed by chance. In 1967, together with Professor Wachmann, and the man who was then the minister of the treasury, Yig'al Cohen-Orgad, we dealt with the planning of the northern district, the contour plan of the northern district. Suddenly, I discovered the Galilee, I discovered Arabs, and I discovered problems.

I understood then that the Arabs of Israel had undergone one of the reverses, I would say perhaps the most fascinating one in the history of mankind. I am saying an astonishing thing. They have undergone a demographic revolution; their natural reproduction rates then exceeded 4 percent per year. This means that every 15 to 16 years, the population doubles. And with the victory of 1967, the end of military government, they were freed. Israel was then in the great expanses of the Sinai, building and creating and dreaming, and they with us. And they are building this land—abundant wealth has come into the villages, people moving out of the old, traditional house to the famous villas, and all of this is happening so rapidly. They don't grasp what is happening, and we didn't grasp it, and in this point in time I then started to work. I sensed that something was happening here. People from the Ministry of the Interior didn't grasp what was happening. And, to my sorrow, at certain points up to this moment, they still do not grasp the enormity of the revolution and the municipal, geopolitical significance that is tied to it.

[BAMAHA] What is happening in the villages?

[Sofer] They, each man on his own, left the village, began to earn money, brought his money home. Since the family or establishment is very rigid in the village, they did not organize cooperatives and did not invest the common wealth in industry and tourism; they did not think in such terms. There was an enormous effort to improve the quality of personal lives. And this began with construction. Houses reached 300 to 400 square meters in size. Today, we see another phenomenon. You enter some of these houses and find furnishings worth \$100,000 to \$150,000—the wood and the polish alone—and you are shocked to see everything invested in the

private home. You ask yourself: My gosh, where are thoughts for the future? Where is the capital? Since this is a traditional society, you also see the allotment of territory for olives, and you say to them: This is not profitable. They laugh at you and say: We do not deliberate in Western terms of only money. He who plants, he who develops, this will be his for generations.

[BAMAHA] That is, he can live in a big house and be unhappy.

[Sofer] This is characteristic of a large segment of Arab society. This is the city proletariat, who travels for hours to work on the coastal plain and returns home late in the evening.

[BAMAHA] What is the political significance of this process?

[Sofer] Both of us can smile: What is a village, if it has 20,000 or 22,000 or 17,000 residents—it is three times the size of Ma'alot, one and a half times the size of Karmi'el. It is a village. And when it joins, due to its expansion, the neighboring village and the village beyond it, you think of Kfar Kaneh that joined Mashad that joined Raynah that joined Nazareth that joined Yafya'. That's 120,000 people. And then you feel power. And then, the demography of all of the Land of Israel or Israel has no meaning. We are strong. And the mayor of the municipality of Nazareth—is he not a poet and mayor and member of Knesset and leader?—he says: Half a million Arabs is a million hands. This is a force.

[BAMAHA] And in parallel, what is happening to us, the Jewish settlement, enchanted by the beauty of Galilee?

[Sofer] The Jewish settlement, when it sees such urbanization processes or such urbanization, has a trick: instead of travelling into this metropolis, the Jew builds a bypass and travels to a new bucolic area. Look at the Nazareth bypass, which goes along the beautiful Eshkol Reservoir. I do not doubt that, if we continue not to enforce the law in the valley of Bet Hakerem and houses are put up on either side of the road, the pressure will begin for a road to bypass the valley of Bet Hakerem and then you will ask me, as a geographer: And how will you implement this bypass? For there is no other valley so wonderful whose path can pass the traffic on the Acco-Kuneitra road. You will begin to go up on the hills, with bulldozers, you'll invest millions, you'll damage the ecology, and all of the Land of Israel today is characterized by bypass roads.

[BAMAHA] So, where are your friends, the researchers, the planners?

[Sofer] We, the researchers, discover the phenomenon, see it in perspective, and our job, in this instance, is to yell. But planners are not architects. They are politicians. And, here, I want to tell you a secret—that for at least the past 30 or 40 years, when you clarify things for them, then they say to you: This is all nice and good, but, I, the politician, must preserve myself, and my horizon is from

election to election, that is, 4 years. He is worried about the next elections. The Arab sector, to this day, has been a supplier of votes. There were promises and there were stories, and I would say, with an expression that I have used more than once in lectures: Whoever, for 40 years, has allowed, the country, the Galilee, to be sold for votes, is in essence a traitor to the State of Israel. It is a fact that more than 50 percent of the Galilee's Arabs voted for Zionist parties.

[BAMAHANE] You mean that the slogan, "judaization of the Galilee," is good only for election time?

[Sofer] The slogan, "judaization of the Galilee," or if afterwards they called it the "populization of the Galilee," is anchored in a very bitter historical experience. The historical experience teaches that, in every place in which a minority lives in some territory or another, it always comes out at the edge of the economic and cultural core of the country, on the outskirts, and there it constitutes the majority of the population. Sooner or later, there will always be pressures for separation from the very country to which it belongs.

[BAMAHANE] Are you saying that at one time or another, the Arab Galilee will want autonomy, will become annexed to either a Palestinian state, if one should arise, or to Lebanon or Syria?

[Sofer] Either an autonomy that, in the beginning, will be cultural, and one day, perhaps, will demand separatism or an independent state. When I say such things in peaceful and quiet times, people don't understand what I'm talking about. Everywhere in the world, whoever has understood this has taken preventive measures. In Ben-Gurion's war diary, I think one of the last sentences states: We conquered the Galilee, a deadly operation; we must immediately settle 26 points there along the border, so that they won't take it from us. And from then on, our experiment began, the one you call judaization, or populizing, the Galilee.

[BAMAHANE] Why didn't it succeed?

[Sofer] For many reasons. First, the Galilee is difficult, since it is mountainous, and the little good land that it has was already historically taken by the Arab villages, which have been there for many years, such as Sakhnin and 'Ara'bah. That troubled us agriculturally. We were stuck with the hills, and there it is difficult to compete with the coastal plain. Aside from this, we spoke a lot about the dispersion of the population, but the Jewish people is an urban people, and they love Tel Aviv. And the politicians speak of judaization of the Galilee like a lip tax, because, when they want to become reelected to the next Knesset, they must pamper Tel Aviv residents, because most of the votes will come from there.

I am aware of the great power of Greater Tel Aviv, with its 2 million residents. But, if they build a four-lane, Haifa-Karmi'el highway today, I will be able to reach Karmi'el in 20 minutes from Haifa. My three daughters could live in Karmi'el, which could be a Haifa suburb,

and one day I could go—God willing—to see my grandsons and granddaughters and return home within 20 minutes to Haifa. Now I have to drag along the road for almost an hour to an hour and a half.

[BAMAHANE] Is this still subject to change?

[Sofer] As early as tomorrow. Let's declare that we are ceasing to develop the Alon routes and the pampered Tel Aviv area and start to think of the Galilee, because it is no longer 5 minutes to 12—it appears that it is already 1 minute past 12.

[BAMAHANE] At 1 minute past 12 the politicians also tried to put up the outposts.

[Sofer] The whole story of the outposts is not so much connected to the Galilee at the same moment, but, rather, to the struggle between Alignment and Likud. When Alignment was disturbed that Begin and his friends were going up to Judaea and Samaria, Ra'anana Weiss and his friends were saying: Let's turn your national attention away from Judaea and Samaria to somewhere within Israel. The Negev, at the same time, was busy with absorbing the IDF [Israel Defense Force], which had withdrawn from the Sinai, and the most appropriate place was the Galilee.

[BAMAHANE] Even now there is a new policy, which has been declared, of the Jewish Agency and the government: The order of priorities is for the Galilee and the Negev. Is this once again a lip tax?

[Sofer] I can say, unambiguously, that I have checked almost 60 development plans for the Galilee since the establishment of the state, and the more we call for further plans, the more it will indeed remain only on paper. Then Karmi'el was established—which is a gem—with 20,000 Jews, and it is a garden full of joy and beauty. But let me get back to the outposts. In one fell swoop, they put up almost 40 outposts. By the way, on the question of why not 80 or why not 7—whoever decided on the number understood our press and he claimed: If four settlements are put up, they won't write about it. Forty—everyone wrote. I think that the essence of the outpost achievement is not the size of the population that settled there, but rather in fact-finding in the region.

[BAMAHANE] Then, all in all, with your theories and in the Agency where you warn of them, you must, in essence, get the backing of both Likud and Alignment, don't you?

[Sofer] When I came and examined the topic of demography, and, from there, made operative conclusions—for example, regarding the future of the territories—I found myself more befriended by Alignment and I received a stack of criticism from the right. On the other hand, Israeli Arabs, or the Israeli left, call me a racist who constantly speaks of numbers: Every Arab born is a problem. I am not a party man. I think that, as an

academic, it is my obligation to present the data and the processes, even if they are very annoying.

[BAMAHANE] Then, to take your logic to the end, on one date or another, we will have to separate from the Galilee.

[Sofer] You bring up a very tragic point in the history of the State of Israel at this moment. I say the following: We are trying to change the demographics with settlement experiments of one sort or another. And, at this moment with low natural reproduction rates, and the immigration forecast, with all of the stories, it will not come in the waves that we would like. And, at the same time, we are investing in an imposing settlement effort in Jerusalem, we speak a great deal of the Negev, and there is a burning problem. We invest a great deal of effort to also settle Judaea and Samaria, as well as Gaza. It seems to me that he who wants too much won't get anything. A country must have the strength to make a decision and to ask where else it has a chance to win. When it is clear to the two of us that, while the people of Israel primarily inhabit greater Tel Aviv, we are trying to settle the Qatif region. You know, the natural reproduction rate in Gaza produces a Qatif region every 3 weeks—this means that every 3 weeks there are an additional 2,000 Arabs in Gaza. So who can see that we will ever be victorious over Gaza in history? Let us give up a place where we don't have a chance, and at least save the Galilee, which still has international recognition.

[BAMAHANE] Prof Arnon Sofer, if I understand you correctly, you are saying we should relinquish Judaea and Samaria and the Gaza region, to tackle the Galilee and the Negev, and return to the 1967 borders, not as a politician, but as a geographer, a demographer.

[Sofer] As a geographer who views the process, who sees what is happening in the world and what is happening with us. If we don't act quickly in the Galilee, we will lose it.

[BAMAHANE] Could an evacuation of some of the residents possibly occur in the future?

[Sofer] History teaches us that the idea of transfer, expulsion, killing, is something that exists: India, Pakistan. There they moved 6 million people, and they say that 6 million were slaughtered. We, the Jews, are sensitive about this number. Stalin moved 20 million people to Siberia. It is possible that this is also an option, but it sounds terrible. If we move 200,000, we would receive a terrible blow from Europe and the United States. And how much would you have changed the demographic situation? There will be approximately 4 million Arabs in the Land of Israel, less 200,000 who were expelled, at a terrible international cost. You changed something? Not a thing.

[BAMAHANE] According to the figures that you published, in the year 2000, only 54 percent of Israel's inhabitants will be Jews.

[Sofer] We are very rapidly nearing the state of a binational country.

[BAMAHANE] There was also an argument over this among professionals in this field, wasn't there?

[Sofer] There was no argument. There was an attempt—I would call it ridiculous—among politicians to come out and say: The figures are not exactly so, and with the aid of immigration and belief in God, etc., we will solve the problem. But, when I spoke openly with the same hawks, all of them expressed concern. Rahab'am Ze'evy, who is nicknamed Ghandi, when he heard the data from me at a meeting, stood up and said: If this is the situation, then transfer. And the famous transfer episode began.

[BAMAHANE] Could it be that you are to blame for his losing the election?

[Sofer] Many have blamed me for the transfer idea, despite the fact that I attacked the idea and I showed that it is impossible with the geopolitical figures for Israel today. I did not deal with the ethical side at all, because this is a subject that I think would be redundant to emphasize.

[BAMAHANE] If you expand the area of jurisdiction of demography, then we are in the Middle East, we will always be a minority, and we will, naturally, always have a border with the Arabs. So the problem is if this is within the state borders or outside the state borders. For security reasons, it is better that it would be within the state borders, true?

[Sofer] I don't agree. I think that it is significant for the national quality of life that you live with your compatriots. I would like Haifa to be Jewish. I would like to travel on the Egged bus to Jerusalem and the driver not be closed and locked in and someone to yell: Allah is great! I want a Jewish state that has a reasonable Arab minority, and that we be able to express ourselves as we pleased.

[BAMAHANE] Are you smarter after the event, or did you also say this before the intifadah?

[Sofer] I appeared on New Evening, about 6 months ago, and in 6 minutes I said: We are walking in front of a Hell that will possibly bring the destruction of the State of Israel. I wrote to General Mitzna' on the day that he started his job—now I can tell you this, he was a student of mine, and we are friends—I said to him: You are walking into a typhoon, and you will soon give the order to kill. And a long time before this happened. And anywhere that I could in the country I rushed to say: People, we are moving toward disaster.

[BAMAHANE] To which political framework did you turn?

[Sofer] I turned to the entire security system, to the entire political system in Israel. There is not one leader today, of the first or second rank, in the State of Israel, with whom I have not met, to whom I have not shown

the figures. One said to me: Stop bothering us with the demographic problem. I won't say who. There were those who said: Almighty God! I didn't know. Not long ago, one minister said to me that if someone admitted that he was hearing new things from Arnon's information, it would be considered a national oversight. Because the leaders don't know the figures, or perhaps they have undergone the psychological process of repression and forgetting.

[BAMAHANE] Doesn't it appear to you—maybe this sounds naive—that when there is peace between nations, it will be possible to achieve some state of tranquility and coexist, even within the State of Israel, with a large Arab minority?

[Sofer] Yes. For this, we must also pay. First of all, when I say, "pay," I want to be an egotist to the end and do only what is good for me. It is not good for me to control 50 percent of the population by force. It won't work. Period. Let's return, plus or minus, to the Green Line. The exact lines we'll leave to the generals to decide. They understand security—not the Knesset members and not I.

[BAMAHANE] And what do the generals say?

[Sofer] Uri Or—today he is a civilian—claims that it is possible to make do with the Green Line. This is a man who was in the central command, the northern command, he is not PLO, and he is not on the left, and he is not a communist—he's all right. I rely on him. And on Ya'nosh, and other people, heroes, heroes for whom I have a lot of admiration.

[BAMAHANE] In order to decide on a retreat to the Green Line, you need a national consensus. Do you have an interim plan?

[Sofer] If we continue the status quo and settle matters with the United States and Egypt—10 points, 12 points—we will bring grave disaster upon Israel. This is how I read the map.

[BAMAHANE] How did you end up working in your field? Is it from your love of the land, from trips?

[Sofer] My father was the manager of the electric utility company from Rishon and southward, and I remember, even as a 3- and 4-year-old boy, when he would return at the end of the day, the story was another few electricity poles were coming down in the south; I brought electricity to the Weizman Institute—this was then a splendid institute. We labored and labored and worked, we broke our backs—everything was tied to the history of Zionism. When I was 5 years old, World War II began; at age 10 the conflict with the British began, my brother, a young boy, had already fought against the British and in the Palmah [strike force of the Hagana] and was killed, and since then, to my sorrow, I have buried acquaintances, friends, and students, some 200 of them. I am deep, deep, all of me, only in this country....

### Commentator Urges Self-Defense Against Terrorism

44230068F Tel Aviv 'AL HAMISHMAR  
in Hebrew 7 Dec 89 p 15

[Article by Avi Benayahu]

[Text] The purpose of the terrorist actions that have occurred lately, and, we should presume, that will be carried out in the future, is to harm the State of Israel and its inhabitants. According to the strategic doctrine that guides the heads of the terror organizations, the intent of this activity is to subvert the existence of the state and its inhabitants, whether by wearing them down or by imposing a heavy economic burden. The purpose: to bring about polarization of the population, to create an atmosphere of fear and submission to pressure, thereby focusing the attention of the world media on their interests.

In this time of the intifadah and repeated attempts at penetration along the northern border to carry out attacks, we need to consider our capability for immediate response in order to arrange for overall public security. In order to achieve this goal, we should forget about political arrangements which cannot yet be seen on the horizon.

Organizing the defense bodies against the above-mentioned situation is both an active and passive matter but does not, in my opinion, constitute immediate, rapid response; it generally comes after the attack. While there are also attacks initiated by religious fanatics entirely subservient to the terror organizations, the outcome is the same: the taking of Jewish lives. Whether the victims are young or old, it is an immediate, saddening loss that causes confusion and frustration, but that can also be prevented.

Again, my goal in saying this is not, God forbid, to damage the ability of the defense forces, since, after all, I belong to their ranks, but it is nevertheless clear to me that in such a situation, we must permit an immediate response to the acts of terror that strike Jews at random.

Consequently I certainly agree with the opinion that whenever a knife or any other weapon is drawn, we should react by firing to kill and not to wound. That can be accomplished only by those who routinely carry weapons for the purpose of self-defense.

More than once attempted attacks have been foiled by immediate response; remember, for example, the incident in Nahariya in which a new immigrant with a recoilless rifle killed a terrorist before he could carry out additional attacks. Or, for example, the incident that occurred some years ago at a hitch-hike stop in Bet Lid when soldiers with sidearms eliminated attacking terrorists on the spot, thus foiling the attempted strike.

It seems to me that the issue of self-defense is well developed in the refugee camps and the educational institutions in Judaea and Samaria, all for one purpose—

to hit us. Indeed, to their credit they have the advantage of reliability, but our citizens can also be taught.

In any case, the circumstances in which Israel finds itself dictate increased awareness of immediate response and require allowing the possession of weapons for self-defense and developing centers for training and target practice.

Certainly there is a fear of granting weapons permits to citizens who are unfit for various reasons such as using them for criminal purposes, but the capability for self-defense outweighs those arguments.

In order to get the authorities to do this we have to infuse an awareness of the practice of carrying light, easy to use sidearms by anyone who meets the criteria.

The Interior Ministry, in cooperation with Israeli police, should ease the criteria for purchasing sidearms and supply the proper instructions for everything having to do with training, use, and securing of weapons at home.

The IDF [Israel Defense Force], in cooperation with Israeli police and the Interior Ministry, should continue encouraging the distribution of army weapons to citizens in the reserves in addition to soldiers and officers on active duty and IDF retirees.

We should examine the possibility of having everyone with a gun permit go through a private academy of ex-army or police people, and their performance in everything having to do with training, learning, refresher-maintenance, and the firing range would determine the issuance, certification, or renewal of their permit by the Interior Ministry, as is done with drivers' licenses.

The Education Ministry, in cooperation with the Interior Ministry and through the authorities should prepare a curriculum on the topics of target practice, survivability, physical strength, and hand-to-hand combat and stress them more than is done today. The Ministry should also allocate training sites for that purpose. Lieutenant Colonel (Reserves) Gershon Ekstein. (The writer served in the past as head of the citizens' self-defense branch in the rear echelon on the IDF general staff. The article reflects the opinion of the author and does not necessarily represent the position of the system).

## JORDAN

### Economic Forecasts Given for 1990s

#### Spending Cuts, Trade Reform

90OL0181A London AL-SHARQ AL-AWSAT  
in Arabic 2 Jan 90 p 6

[Article: "Jordan's Economy for the '90s; Former Minister of Planning Tahir Kan'an: We Used To Be Overly Optimistic and Now We Are Overly Pessimistic; We Have To Live Within Our Means"]

[Text] Jordanians' perception of their economic performance was overly optimistic in the past, and then suddenly turned around to become overly pessimistic. Both perceptions are in the final analysis harmful to the country and its quest for economic revival.

We now have a rare opportunity to become lean and begin a new initiative for economic growth and prosperity. The 1990s should prove positive and superior to the 1980s if people grasp the reality of the situation and look upon it as an opportunity. Growth will contract but its bases will be a lot more solid than in the past decade.

That recognition must be based on the fact that the cost of living should reflect private and public awareness of temporary variables beyond our control, such as foreign assistance and expatriate remittances.

The bid to raise the standard of living can be approached in two ways: One is futile and can only lead to the aggravation of problems while the second is cerebral.

The first is the common perception that the standard of living can be raised by simply increasing wages and salaries. Public pressure to do so is expected in view of the rise in prices (inflation). This would be harmful if it occurred. In addition to fueling inflation, it would lead to the loss of low cost advantages and with it the competitive advantage overseas of Jordanian exports (the dinar's low exchange rate), putting upward pressure on the dinar to the levels that caused the crisis in the first place.

The second, and logical, approach is of course universal recognition that we must live within our means. Any improvement in the standard of living should be the result of real growth. Our focus should therefore be on developing industry and agriculture.

Another important factor is that it took a larger effort in the past to deal with economic matters in a logical fashion. A specific example is the way people looked down on hard physical labor. This severely restricted economic movement and flexibility in the past and led to the influx into Jordan of some 200,000 foreign workers engaged in activities shunned by Jordanians for no reason except stagnant, old fashioned societal prejudices.

Arab economic combinations were the outcome of reverses in collective Arab efforts. Without pointing a finger of blame, those reverses gave rise to the hypothesis that joint Arab effort would be more fruitful if undertaken by combinations whose members are fewer in number and more characteristically alike. This assumes that those combinations are preliminary to a wider grouping that would be stronger and more stable.

It is important in the final analysis that Arab countries feel a commitment towards each other to work towards free trade through the Council of Arab Economic Unity and Arab common market agreements. Rather than start

from scratch and seek unrealistic objectives, Arab countries should utilize such commitments as bases for continued efforts to achieve rapprochement and integration.

Members of the Arab Cooperation Council, for example, must view their joint commitment within the framework of the aforementioned treaties and must work to free trade with each other in order to reach the level of a customs union. Free regional trade should be a prelude to freeing all trade within the group in order to create a common market by gradually implementing uniform tariffs against the outside world.

Current economic management has achieved noteworthy success in building up foreign currency reserves and consequently in stabilizing the dinar rate and putting it on the road to gradual improvement.

I believe that the monetary system has recovered satisfactorily but, in all fairness, its officials should not be held responsible for the medium and long-term future because this is a responsibility to be shared by all Jordanians through productivity, as previously discussed.

Industry, if able to boost production to increase exports and to substitute for imports, would benefit greatly from the current opportunity, from the comparative cost advantage resulting from dinar softness, and from economic reform in general.

Agriculture, on the other hand, faces two problems. First, Jordanian agricultural activity is limited to farming, and then with old fashioned methods. It needs to be more oriented towards selective farming of exportable goods. This is important for successfully dealing with agriculture as an industrial force with regard to output management, etc.

I am in agreement with all the steps taken under the reform program to reschedule foreign debt and redefine fundamentals. It is to be noted that reform began at my initiative when I was minister of planning. The debt service, heavily burdensome for the period from 1989 to 1993, seemed reasonable when spread over 12 years. This burden will be manageable if we commit to the reform program's political guidelines, and especially if other factors are brought under control.

#### 'Asfur: Debt Repayment

90OL0181B London AL-SHARQ AL-AWSAT  
in Arabic 2 Jan 90 p 6

[Article: "Amman Chamber of Commerce President Muhammad 'Asfur: Regional Cooperation Helps Jordan's Economy, but Foreign Debt Problem Festers"]

[Text] The Jordanian economy has begun to solve its problems by creating a suitable investment climate and working to boost economic growth rates as it creates new job opportunities to reduce unemployment and maintains the general budget and the balance of payments in comparative equilibrium.

The Jordanian dinar has regained a measure of confidence and has begun to take a positive direction on admission by the Jordanian central bank that dual rates of exchange exist vis-a-vis the dollar—one is commercial and the other subsidized.

Monetary policy is currently passing through a delicate stage since it has to determine the point of most suitable balance between the two rates of exchange. This is the point that strikes the best balance among the real value of the dinar, terminating the dual valuation policy, and freeing the market from restrictions—be they on interest rates or exchange rates—in accordance with the fundamental reform program negotiated with the IMF.

Arab economic combinations, such as the Arab Gulf Cooperation Council (GCC), the Arab Cooperation Council [ACC], and the Arab Maghrib Federation, represent steps towards comprehensive Arab economic integration in view of the GCC experiment which proved viable and effective in freeing national and regional economic trade. It is a successful experiment and a role model for countries of the Arab Cooperation Council and the Arab Maghrib Federation.

Members of the Arab Cooperation Council differ from the GCC states in that they are less similar in resources, foreign economic relations, population density, skills, systems of education, and social structure. Still, they represent the nucleus of a force and the core of a large market thanks to their commercial and cultural dimensions and to the dense population of the Arab Levant. The Arab Cooperation Council is set up along the same lines as the GCC. At summit level, a supreme council meets one a year. It is supported by a ministerial council of heads of governments or their representatives and a secretariat headquartered in Amman. A factor of success is that Arab Cooperation Council branches will seek to identify those objectives that can be gradually accomplished, but only after a transitory period of wider vision that seeks a balance among the four member states before collective objectives are pinpointed.

National as well as regional factors propel national economic revival. We in Jordan need to focus particularly on agriculture as a fundamental base for balanced growth.

The fundamental objectives of agricultural policy may be summarized as follows:

First, organize and boost output to meet demand by domestic consumption, foreign markets, and domestic food and farm industries.

Second, ensure a minimum level for the production of basic strategic goods needed for food security and for self-sufficiency in other products.

Third, support and develop agricultural services including research, extension services, protection, animal health, and farm equipment.

Those are long-term future goals, but I am confident that agriculture will be developed to meet the needs of domestic, Arab, and foreign markets, especially since we have begun to implement modern farming techniques which may help improve the competitive advantage of our farm products by reducing production costs. Another factor is the decline in the purchasing power of the Jordanian dinar.

Jordanian industry, on the other hand, has grown rapidly during the past three decades. It was modest in the '50s and dependent on manual labor such as handicrafts, traditional family trades, and the manufacture of soap, furniture, and clothes. There was considerable industrial growth in the decade of the '60s. Numerous large and small projects were founded with the participation of both the private and public sectors.

It is hoped that the Arab Cooperation Council agreement will translate into positive developments that will help Jordanian industry develop and benefit from the council's joint markets.

This calls for a more efficient utilization of the factors of production employed in most industries. National industries must also depend to the highest degree possible on factors available within the council, which should provide privileges, investment incentives, and free movement of capital among the member states.

To be really effective in raising the standard of living, all the above steps must be accompanied by a fundamental solution to the external debt problem. There can be no economic growth under such accumulations of military and commercial foreign debt. That fact prompted Jordan to engage in official negotiations with the IMF, seeking support for its reform efforts and help in rescheduling its debt.

The rescheduling of debt has of course given Jordan a breathing spell and an opportunity to tackle economic reforms and corrections without the pressures that would have otherwise prevailed. Jordan was able that way to maintain its international viability without exposing its economy to unbearable burdens.

The [IMF] agreement and debt rescheduling helped cap indebtedness and provided additional financing by the IMF, the World Bank, and others, and enabled monetary authorities to attend to the task of rebuilding the kingdom's foreign reserves unencumbered by the burden of foreign debt service.

Real Jordanian economic growth was, and still is, a function of ensuring monetary stability by rebuilding the central bank's foreign reserves and by rescheduling external debt. That way we can accomplish reasonable rates of growth beginning in 1990.

### Industry, Agriculture

90OL0181C London AL-SHARQ AL-AWSAT  
in Arabic 2 Jan 90 p 6

[Article: "Economic Writer Dr. Fahd al-Fanik: Industry and Agriculture Are Sectors of the Future; Jordan Is Not Able To Repay Debts"]

[Text] It is difficult to forecast the course of Jordanian economy over the next 10 years because that would depend to a large degree on external factors that are not determined within Jordan and are not a function of its resources or whether they are properly managed.

Examples of such factors are whether oil will be discovered in Jordan in commercial quantities, economic conditions in the region and especially in Gulf countries, whether the Palestinian issue will be resolved, the success or failure of Arab cooperation councils, Arab financial aid to Jordan, Arab economic integration, international solutions to the external debt problem, world prices of phosphates and potassium, the ability of Arab Gulf markets to absorb surplus Jordanian currency, etc.

Developments within Jordan are also extremely important since they dictate our reaction to each of the above variables.

The fundamental question is the degree of commitment to the economic reform program whose success would bring Jordan closer to the objectives of self-sufficiency and self-dependence and would shield it against the economic crises that befall most of the heavily indebted countries of the Third World.

The international climate has changed radically. The world powers used to be disturbed by any Arab rapprochement which they considered wrong and sought to abort it. In preference to dealing with each country individually, they now endorse large combinations and prefer to deal with a uniform Arab system or with intermediate regional groupings such as the Arab, Gulf, and Maghrib cooperation councils.

It has also become obvious that the combinations that were created did not turn into feuding axes and have not preempted existing bilateral relations.

These combinations, however, face the risk of reaching for lofty objectives without adequate preparation and without first identifying and endeavoring to remove obstacles and difficulties. They are also at risk should they act out of transient emotionalism rather than on the basis of genuine interests and objective studies.

Neither can the course of the Jordanian dinar be predicted in light of world developments, since it is not a freely-exchanged hard currency and can only reflect the state of Jordan's economy itself.

The dinar's main problem is the huge size of external debt, the burden of debt service, and the chronic balance of payments deficit financed with loans and financial aid.

On the positive side we find the success of the reform program, and the increase in exports, especially of phosphates, potassium, and fertilizers, as well as of farm and manufactured goods. There has also been [an increase] in remittances by Jordanian expatriates now that confidence has returned.

The dinar has shown great immunity and perseverance even when the foreign reserves of the central bank dried up. The central bank has now partially replenished those reserves and is able to act to protect the exchange rate. Furthermore, the dinar has finally found its true level and its value is no longer exaggerated. This is proven by the fact that the black market rate exceeds the official rate by only three percent—a small fee paid by those in a hurry who wish to avoid red tape.

Income from agriculture has declined in importance from 25 percent of revenues in the '50s to a mere seven percent in mid-'80s because imported foods were being subsidized and farming was being abandoned as services grew. Agriculture has rebounded and currently accounts for about 10 percent of GDP [gross domestic product]. This may grow to 15 percent in the '90s thanks to improved production methods, the availability of European and Arab markets, and the ability to manufacture farm products.

Jordanian industry benefited greatly from declines in dinar value which acted as additional protection from foreign imports. Dinar softness also improved the competitive advantage of Jordanian products abroad.

Industry has a good future now that domestic cost of production has declined. Jordanian labor is now relatively cheaper because dinar devaluation was not accompanied by any appreciable increase in wages.

It is imperative to develop industry and agriculture in the '90s even though Jordan complains of unemployment, provided that happens with a minimum of Arab coordination.

Jordan's external debt is huge by any standard, and especially in relation to its size, population, and gross domestic product. I believe that Jordan, like any other developing country, will not be able to repay its debt. Debt repayment presupposes current account and trade surpluses which are not likely in the foreseeable future.

Jordan is not the only indebted country in the world. Should the world find a solution to the problem, Jordan would benefit. The solution basically lies in full or partial forgiveness of debt that is beyond a country's ability to repay.

But this does not relieve Jordan of its duty to correct its position, which it has done under the reform program negotiated with the IMF. Jordan, however, will continue to need more fiscal resources over the next five years.

According to the [reform] program, Jordan is to receive foreign capital which it will use to repay some older debts. In other words, Jordan's indebtedness will be

higher four years from now, but it is hoped that the economy then will be more healthy and in less need of borrowing.

In any case, no one expects Jordan to squeeze its people and deprive them of essentials in order to save the funds needed for debt repayment. Only money in excess of basic needs will be paid out. No such surplus is expected in the near future.

## LIBYA

### Foreign Liaison Secretary Discusses Ties With France

900A0258A Paris AL-YAWM AL-SABI'  
in Arabic 18 Jan 90 p 18

[Interview with Jadallah 'Azuz al-Talhi by Qasim 'Izzal-Din in Paris on 22 Dec 89: "Tension With France To End Soon"; first two paragraphs are AL-YAWM AL-SABI' introduction]

[Text] The Libyan Minister of Foreign Affairs Jadallah 'Azuz al-Talhi expresses optimism that tension between his country and France, which was the subject of his contacts with French officials, would end soon.

On the sidelines of the Arab-European Dialogue Conference held in Paris last 22 December, Libyan Foreign Minister Jadallah 'Azuz al-Talhi was busy with bilateral contacts with some Arab foreign ministers and the French foreign minister, Roland Dumas. During his short stay in Paris, he tried to do his share to remove the causes of tensions between the Jamahiriyyah and France. AL-YAWM AL-SABI' met with him during his presence in the French capital to conduct the following interview:

[AL-YAWM AL-SABI'] France made remarkable efforts with its European allies to invite you to attend the Arab-European Dialogue Conference, so what is the cause of tension between you and France?

[Al-Talhi] It is essential to emphasize that the Jamahiriyyah has been and is always eager to establish normal relations with France. It should be pointed out in this context that the relations of cooperation the Jamahiriyyah has established with France opened the way for the normalization of French-Arab relations. Developments in Chad, however, strained relations between us. Due to a combination of outside factors, most important of which is the pressure applied by the United States and some of France's European allies, we were unable throughout this period, despite our interest and concern, to find the proper formula to normalize relations.

[AL-YAWM AL-SABI'] You said that the Chadian events muddied relations between the Jamahiriyyah and France. The French government, however, has declared its desire to implement the Algiers Agreement to settle the Chadian question. Is this not a good occasion to restore rapprochement?

[Al-Talhi] Yes it is, and we hailed this position, whereupon France expressed its willingness to lift the embargo on certain Libyan equipment it was holding. We looked at this declaration as a good gesture for the renormalization of relations, but nothing of the sort occurred. We noticed that France is still giving in to outside pressure, thus making it impossible to build the normal relations we are seeking.

[AL-YAWM AL-SABI'] Do you mean that the Chadian file is still open?

[Al-Talhi] I do not think that the Chadian government can apply pressure to change the French position, even though it was hinting at the possibility of turning to other foreign troops for help. We believed, however, and events bear this out, that the source of outside pressure on France is the United States and certain European allies such as Great Britain. The French government did not make a secret of the fact that it came under such pressure after it released some of the equipment it was holding. But we no longer accept France's acquiescence to these pressures. After we concluded the Algiers Agreement with the Chadian government, we felt that the continued confiscation of Libyan equipment did not bespeak France's desire to renormalize relations, especially since talks between us brought forth the aforementioned declaration by the French foreign minister. Measures were soon frozen and the gesture indicating France's desire to establish normal relations with the Jamahiriyah came to a halt.

[AL-YAWM AL-SABI'] Where does the implementation of the Algiers Agreement with the Chadian government stand?

[al-Talhi] The articles of the agreement provide for a plan of action agreed upon during the talks that preceded the signing of the Algiers Agreement at the end of last August. In all these articles, it was agreed to settle bilateral differences by mutual consent and without outside intervention, aside from normalizing relations and releasing prisoners. Prior to signing, the Jamahiriyah began its unilateral release of prisoners, but the Chadian side is still dragging its feet in implementing the terms of the agreement. The committee meetings so far have not yielded the desired position results. The last of these meetings was held today (December 22), but I have not seen its results due to all the things I have had to do since this morning, as you can see. I believe that the African and Arab brothers who helped us forge the Algiers Agreement are convinced now that the Jamahiriyah is pursuing its commitments to settle differences by mutual consent.

[AL-YAWM AL-SABI'] But the Chadian government recently accused Libya of coming to the aid of the Chadian opposition in Darfur.

[Al-Talhi] This charge and other statements the Chadian government issues from time to time demonstrate a lack of desire to maintain the normalization of relations begun by the Jamahiriyah, which is trying to further

these relations unilaterally. Everyone knows that the Jamahiriyah has not interfered in the Chadian resistance problem in Darfur. It is the subject of negotiations and discussions between the Chadian government and the National Salvation government in fraternal Sudan. The Jamahiriyah has declared its support of the steps the Sudanese government is taking to bolster stability and security in the region.

[AL-YAWM AL-SABI'] Have you achieved any practical results in your discussions with the French government?

[Al-Talhi] I have had two meetings with French Foreign Minister Roland Dumas. I have just returned from the second meeting which was attended by King Hasan II. We discussed in detail the reactions that have strained relations lately. The French minister said that the French government will not back down on the measures it has taken to normalize relations and to lift the embargo on Libyan equipment. I believe that this statement is reassuring and calls for optimism. As soon as France begins to put this desire into effect, measures taken by the Jamahiriyah will lose their justification.

[AL-YAWM AL-SABI'] Can one be optimistic about the restoration of lines [of contacts] between France and the Jamahiriyah soon?

[Al-Talhi] The boycott of French ships, the closing of lines, the recalling of the Libyan ambassador to Tripoli and other measures taken by the Jamahiriyah are linked to the French position. The outcome of discussions in this regard, however, calls for optimism and even the removal of tensions soon.

[AL-YAWM AL-SABI'] We have noticed that the Egyptian foreign minister, Dr. 'Ismat 'Abd-al-Majid, was the one most enthusiastic about seeing the European embargo lifted from the Jamahiriyah and Syria. Is this a fruit of the normalization of relations with Egypt?

[Al-Talhi] The Arab foreign ministers asked the European Community to withdraw their embargo measures, stressing the importance of clearing the air for the dialogue, not only as a way of fostering cooperation but also as a way of bolstering unity and dialogue, beginning with the revocation of arbitrary measures. The Omani foreign minister, the Moroccan foreign minister, the Saudi foreign minister, and the Egyptian foreign minister followed suit. Undoubtedly, fostering relations with Egypt has helped to firm up Arab solidarity and has led to the French foreign minister's announcement to discuss the embargo in the first European meeting. We hope that the European Community will lift the arbitrary embargo and will express its intent to open a new and serious page in the dialogue with the Arabs.

**MOROCCO****Eighth Workers' Union Congress Held****International Delegates Attend**

90OA0245A Casablanca MAROC SOIR  
in French 4 Dec 89 p 8

[Text] The eighth congress of the Moroccan Labor Federation (UMT) opened Saturday in the covered room of the Mohammed V complex in Casablanca under the theme "Against Misdevelopment and for a Solidary, Just Society."

Several guests, including political party leaders, the secretary-general of the Arab Labor Organization (OAT), the secretary-general of the Ministry of Employment, and members of the diplomatic corps in Rabat, attended the opening ceremony.

UMT Secretary-General Mahjoub Ben Seddik read the state-of-the-organization report, in which he welcomed congressional participants representing the union federations, including the North African federations. He recalled the struggle of the North African workers' movement against colonialism, which took concrete form in the magnificent 8 December 1952 general strike launched by the Moroccan working class to protest the assassination of Ferhat Hachad, a major figure in the North African union movement.

Mr. Ben Seddik also welcomed the establishment of the Arab North African Federation (UMA), which he described as a "wind of peace (...), which today is replacing the unnatural tensions that have hitherto thwarted the construction of North African." "The UMA," he added, constitutes "a felicitous initiative that restores to our region its peaceful vocation and to our peoples their confidence in a common future." Continuing in the same vein, he emphasized the urgent need to create an "authentic North African economic, social, and democratic space" in order to be able to come to grips with domestic challenges and foreign constraints, such as demography, employment, emigration, exploitation of national resources, and foreign trade.

Mr. Ben Seddik reiterated the attachment of the working class to the sovereignty of the nation, territorial integrity, and the full enjoyment of its historic rights. He added that the working class took legitimate pride in Morocco's victory in the battle to regain the Saharan provinces and to return Sebta, Melilla, and the Jaafarine Islands to the fatherland. After recalling "the UMT's historic identification with the working class," Mr. Ben Seddik spoke of the situation of workers in various sectors. In that connection, he emphasized UMT principles, of which the underlying principle remained worker unity.

"It is our duty," he added, "to consolidate the gains of our struggles. Let us ensure the right to work and the dignity of labor; let us safeguard our social gains (...); let us resolutely defend unity and the right to unionize."

Mr. Mahjoub Ben Seddik went on to say that another UMT objective was "effective application of the right to work and protection of workers from precarious employment."

He also said that the UMT "stood by emigrant Moroccan workers and their struggle for their own dignity and that of their children." "We wish," he said, "to express our confidence in the unions of the host countries of our fellow Moroccan workers, and we welcome any struggles they may lead with them."

The UMT secretary-general also expressed the federation's great satisfaction at the reduction of tensions on the international scene. The "calm" factor could not help but strengthen worldwide solidarity and bring workers closer within the international organizations.

Mr. Mahjoub Ben Seddik also expressed the Moroccan Labor Federation's solidarity with the struggle of the Palestinian people under the leadership of the PLO for its historic rights of freedom and sovereignty in the face of the Zionist occupant.

He also saluted the struggle of the Lebanese people, part of whose country is occupied by Israel, as well as the struggle of the people of South Africa against the regime of apartheid. He congratulated the Polish unions and people on their national efforts towards reconciliation and progress.

Also in attendance at the opening of the eighth national UMT congress were the chairman of the Moroccan General Economic Confederation (CGEM), delegations from union federations representing Algeria, Belgium, Bulgaria, Czechoslovakia, Egypt, Eretria, France, the Federal Republic of Germany, the German Democratic Republic, Guinea, Hungary, Italy, Iraq, Jordan, Kuwait, Lebanon, Libya, Palestine, the People's Republic of China, Portugal, Senegal, the Soviet Union, Spain, Sudan, Syria, Tunisia, the United States, the Arab Republic of Yemen, and Yugoslavia, as well as the International Labor Organisation (ILO), the League of European Unions, the International Federation of Arab Unions, the International Confederation of Free Trade Unions, and the Organization of African Unity (OAU).

The eighth UMT congress will meet through the fourth of this month, with 1,200 participants in attendance from the different regions of Morocco.

They will discuss and adopt the activity, organizational, and financial reports, the unity and union freedoms reports, the economic and social report, and reports on external relations, general policies, and the statutes.

Elections will also be held for the federation bodies.

### Committee Members Elected

90OA0245B Casablanca MAROC SOIR  
in French 5 Dec 89 p 8

[Article by My Moustapha: "Eighth UMT [Moroccan Labor Federation] National Conference Ends"]

[Excerpts] The eighth Moroccan Labor Federation [UMT] national congress closed yesterday afternoon in the covered hall of the Mohammed V sports complex.

The closing meeting featured speeches by several UMT members, who also expressed their firm resolution concerning territorial integrity and the preservation of national gains.

UMT Secretary-General Mahjoub Ben Seddik said in his speech that UMT principles remained intact. He said that unity is a strategic necessity that brings together the goals and the means in any effort for improvement. Organization, and organization alone, would allow workers to unit in order to come to grips with their problems. [passage omitted]

Following Mr. Mahjoub Ben Seddik's speech, a new board was elected. UMT members unanimously voted to reelect Mr. Mahjoub Ben Seddik to the post of secretary-general and Mr. Mohamed Abderazak, Mr. Abdelkader Awab, Mr. Brahim Warfa, Mr. M'Hamed Ghayour, Mr. Abdelali Ben Abdellah, Mr. Chahir Farouk, and Mr. El Kharer El Miloudi to the National Board. The administrative committee has 59 members, and the federation council 307.

### Privatization Funds Directed to Job Programs

90OA0239A Casablanca MAROC SOIR  
in French 11 Dec 89 pp 1-2

[Text] On Friday afternoon, the Chamber of Representatives continued its consideration of the bill transferring government-owned enterprises to the private sector.

During the session on Friday 8 December, which was presided over by Mohamed Jalal Essaid, first deputy chairman of the Chamber of Representatives, several leaders of parliamentary groups and representatives of political parties expressed their parties' views on the bill under consideration.

The first speaker was deputy Taher Chaker (Democratic Group). He stressed the special importance of the bill, which, he said, marks a continuation of the economic course followed by the kingdom since it became independent. The deputy also emphasized the timeliness of the bill, which will enable the state to devote itself to the management of strategic sectors.

Ali Yata then spoke, emphasizing that the Party of Progress and Socialism (PPS) is not opposed to the actual principle of transferring certain government-owned enterprises to the private sector and in no way questions that sector's ability to assume its role in production and development. At the same time, the

deputy underscored the considerable achievements of the public sector as well as facts that should be taken into account in carrying out the transfers. Yata also touched on the economic changes occurring in the world and the changes taking place in the Eastern countries.

In his speech, Mohamed Bensaid (Organization for Democratic and Popular Action) focused on the problems facing government-owned enterprises and quasi public establishments and suggested a number of bills for solving those problems.

Deputy Houcine Kafouni (CDI [expansion unknown]) called for rationalizing the public sector so that it could play an effective role alongside the private sector in the country's economic development.

Deputy Ahmed Seddik touched on the problems facing the public and private sectors both nationally and internationally and said that the bill under consideration takes into account the development of Morocco's economy over the past 30 years as well as recent studies of the private sector. In his response, the minister delegate to the prime minister for economic affairs and privatization, Moulay Zine Zahidi, said that the transfer of certain government-owned enterprises to the private sector is being carried out in the nation's interest and to ensure the well-being of the citizens, particularly by increasing the number of jobs available.

He said the government would invest its revenues from the transfer of government-owned enterprises in projects for the promotion of employment in all of the kingdom's regions.

The minister also recalled the measures and debates that accompanied preparation of the bill.

## OMAN

### Growth in GNP Achieved

44000155C Muscat TIMES OF OMAN  
in English 30 Nov 89 p 11

[Article: "A Record Rise in Sultanate's GNP"]

[Text] The Gross National Product [GNP] in Oman achieved a record 7.94 percent growth in the past nine months totalling OR [Omani rials] 2,421.4 million compared with OR 2,243 million in the corresponding period last year, a monthly statistical survey said.

The Technical Secretariat of the Development Council noted in the survey that oil production in the same period surged to OR 1,090 million over last year's OR 943.5 million, scoring a 15.53 percent growth.

Other non-oil sectors produced OR 1,374.3 million compared with OR 1,337.5 million, marking a 2.75 percent rise over last year.

**Exports**

In the field of export, the secretariat said gross exports amounted to OR 1,131.8 million in the first nine months of this year compared with OR 981.3 million in the corresponding period last year, achieving a 15.34 percent growth.

Imports this year rose by 7.92 percent, increasing from OR 608.4 million last year to OR 656.6 million.

The survey noted a one percent hike in prices in the corresponding period last year.

**Stock Exchange Transactions for November**

44000155A Muscat *TIMES OF OMAN*  
in English 7 Dec 89 p 15

[Article: "Exchange Record Predicted"]

[Text] Following last month's record trading, stock exchange authorities are predicting business to top OR [Omani rials] 9 million by the end of the year, surpassing the original target by OR 3 million.

Total trading in November was to the tune of OR 2,799,264, up by 165.6 percent on the previous record of OR 1,053,197 in July.

The number of shares transacted was also a record at 1,567,222, showing a 195 percent increase over October's 530,998, the highest thus far.

**Volume**

Volume of business between May 20 when the exchange started functioning and November 30 exceeded the OR 7 million mark to reach OR 7,299,425. Total shares traded were 3,510,842 and contracts concluded 2,649.

"The figures have been very encouraging. We now expect trading to surpass OR 9 million towards the end of this month compared with our original production of OR 6 million," Muhammad Muhammad al Jarwani, Director-General of the Muscat Securities Market, said.

"And this is a very conservative estimate," he added.

Mr. Jarwani listed a spurt in commercial activity after the summer and the entry of two more brokerage companies as the main reasons for the increase in business.

He said: "The public's confidence in the market has gone up and the investment climate in the country is steadily improving.

"Ours is a real investment market. There is no speculation—prices go up and down without any indication of speculative activity.

**Copper Sales, Prices Discussed**

44000154B Muscat *TIMES OF OMAN*  
in English 14 Dec 89 p 13

[Article: "Copper Prices Good for 1989 but Fall Expected"]

[Text] Good prices in the international copper market have favoured Oman Mining Company's sales revenue again this year, according to Salih Husayn Qasim, general manager of Oman Mining Company.

Copper revenues for 1989 are estimated at 16 million Omani rials, however, Oman's exports will next year be hit by lower prices because more copper producers will be attracted to the market by 1989's high returns, Qasim said.

**Sales**

"Our sales revenue for 1990 is expected to drop considerably. The monthly average price of 1989 of \$1.30 per pound is expected to attract more copper producers in 1990 and the additional copper in the market is expected to depress the price to an estimated 0.95 cents next year.

"Some countries rely mostly on copper sales for their income and these will be dumping in the market."

Zambia and Chile are two such countries that rely substantially on copper revenues.

"Copper production in Oman will also be less in 1990 mainly due to lower ore grade and the complicated production methods necessary for extracting copper from ore coming out of the new 'Arja' (Suhar) mine.

"Ore grades of most mines change after several years of mining, the grades can go up or down. However, Oman copper will still be grade A, the best in the market which is why we always get one of the highest premiums."

**Drop**

Lower ore grade and the extracting complications will mean Oman's copper exports will drop from 1989's 15,080 tonnes to 13,500 tonnes in 1990. The country's total reserve are expected to last for five to six years.

Responding to a question, Qasim said: "We would like to sell our copper within the AGCC [Arab Gulf Cooperation Council], if the price is right, but I also think it is important to keep our name and cathode in the international market. Last year we sold copper to Saudi Arabia and the UK. And for next year we have firm commitments from Riyadh Cables, Saudi Arabia, and Elders Exsud, UK.

In answer to another question he said: "Although the smelter was designed to produce 20,000 tonnes of cathodes we have only managed 16,000 tonnes because preliminary studies had shown the copper content in the ore would be two percent, but was in fact about 1.6 percent."

Oman's copper revenues for 1988 were 16.7 million Omani rials. Production from the 'Arja' open mine began in August 1989.

#### **Dam Inaugurated in Wadi Tanuf**

44000154A Muscat *TIMES OF OMAN*  
in English 14 Dec 89 p 1

[Article: "Plan for 50 Re-Charge Dams Studied"]

[Excerpt] The Government is studying proposals to build 50 new re-charge dams in the various parts of the al-Jabal al-Akhdar, Shaykh Muhammad bin 'Abdallah Bin-Zahir al-Hana'i, Minister of Agriculture and Fisheries announced this week.

Inaugurating the re-charge dam project in Tanuf, Nizwa, on Saturday, the Minister said that some of these dams would be built during the first year of the Fourth Five-Year Plan.

The OR [Omani rials] 1,221,000 Wadi Tanuf dam, erected along the main course of the Wadi, has a reservoir capacity of 700,000 cubic metres and is expected to replenish aquifers and provide irrigation water.

The dam, which was filled with water on the official opening day, is expected to increase the subterranean water by 1.5 million cubic metres annually. [passage omitted]

#### **Soap Plant To Begin Operations**

44000155B Muscat *TIMES OF OMAN*  
in English 14 Dec 89 p 9

[Article: "Sultanate's First Soap Plant Ready To Start"]

[Text] Oman's first toilet soap plant goes on stream next month with a guarantee from the manufacturers that the product will be free from animal fats.

"All imported soaps are produced from a mixture of animal and vegetable oils. Ours will contain only vegetable oils," chairman 'Abd-al-Husayn Baqir of National Detergent Company, the manufacturers, said on Sunday.

The OR [Omani rials] 2 million unit at the Rusayl industrial estate will initially produce 2,000 tonnes per year. The installed capacity is 4,000 tonnes, expandable to 10,000 tonnes a year.

The soaps will be sold under the brand names of "Lamia," "Nada" and "Hana" in packets of 75, 100 and 125 grammes.

"We are confident of capturing 40 percent of the local market by the end of next year. Our products will be most competitive both in terms of quality and prices when compared with imports," Mr Baqir stressed.

#### **Volume**

At present there are only two soap plants in the Gulf, one in Saudi Arabia and the other in Dubayy.

"The volume of the market is very high and we are hopeful that we will be able to make a good profit in the very first year itself," Mr. Baqir said.

He added: "We are proud to say that it is a 100 percent Omani venture. The entire technology was developed by us, so there is no foreign collaboration involved."

The new company, he pointed out, would create several job opportunities for Omanis.

"Even in the initial stage, we will have about 10 Omanis in different sections."

## **QATAR**

#### **Amir Discusses Inter-Arab Affairs**

44000151A Doha *GULF TIMES*  
in English 12 Dec 89 pp 1, 6

[Excerpts] The Amir HH Sheikh Khalifa bin Hamad Al Thani told visiting Egyptian journalists yesterday that he was looking forward to meeting soon with his brother President Husni Mubarak during a forthcoming visit to Egypt.

HH the Amir, who received the journalists in his office at the Emiri Diwan, underlined the strong bonds that existed between the Qatari and Egyptian peoples, and noted he had had close personal relations with Presidents Jamal 'Abd-al-Nasir and Anwar Sadat, as well as with President Mubarak.

HH the Amir recalled that when he met the late President al-Sadat during his last visit to Qatar, he had put to him a question: "Is there going to be war or peace, to which al-Sadat replied: (the holy month of) Ramadan would be decisive. [Quotation marks as published]

"And indeed, HH the Amir added, the 10th of Ramadan (October 1973) war took place and the giant Bar-Lev line fell under the boots of the Egyptian soldiers and leadership, to the pride of the entire Arab nation."

HH the Amir noted that before becoming ruler, he had met with the late President Nasir in Alexandria, where they had talks on many topics of interest in the Arab World.

"After that I met with al-Sadat who came to us on several occasions as an envoy of President Nasir. And that is how I met my brother Mubarak," HH the Amir said.

On progress in Qatar before and after independence, HH the Amir stressed the importance Qatar attached to education, including the education of women. He said he was honoured to have been in the past responsible for education.

Education in Qatar was being run by the British adviser, and was not complete. "I laid down the comprehensive bases that my country needed and education progressed."

Now there was Qatar University, a landmark of civilisation from which many Qataris had graduated and assumed responsible positions.

On education for women, HH the Amir said he had succeeded by pure personal endeavour to convince those who objected to the education of women to change their attitude. Segregation, however, which provided social protection for women was maintained.

"I am proud that we have achieved educational progress in such a short span of time," HH the Amir said.

On economic development, HH the Amir said that Qatar, like other states, was affected by economic recession but had managed to overcome it.

Referring to the huge North Field gas reserves, HH the Amir said "Qatar has been blessed with a gas field to which I give every attention so that oil will not remain our only source of revenue in the future."

HH the Amir noted that within the coming five years, Qatar will have three sources of revenue: namely oil, liquified gas and a heavy industry which uses gas and a heavy industry which uses gas as feedstock and exports oil products to world markets.

"To our present successful and booming industries, including iron and steel, petrochemicals and fertilisers, we shall add a second industrial town which will be no less important than the present Umm Sa'id town, which houses the current industries," HH the Amir said.

HH the Amir invited the Egyptian journalists to visit the new industrial town in five years' time.

HH the Amir reiterated Qatar's firm position vis-a-vis the Palestinian cause, noting that the Palestinian uprising had changed many visualisations across the world.

"I hope that Arab and international endeavours will succeed and the Palestinian people will get its legitimate rights, including the establishment of its independent state," HH the Amir said, expressing the conviction that such will take place. [passage omitted]

"The Gulf people is one, although some are in Oman, some in Qatar and others in Saudi Arabia. And this people is a part of the Arab nation," HH the Amir said.

HH the Amir, noting that all Arab groupings belong to the Arab League, welcomed the establishment of the Arab Cooperation Council and the Arab Maghreb Union.

HH the Amir also welcomed Egypt's return to the Arab fold. "We are happy that Egypt, which enjoys her due weight both in the Arab World and in other countries, has returned to its sister states," HH the Amir said.

HH the Amir expressed hopes that President Mubarak's efforts regarding the Palestinian issue would meet the utmost successes.

Asked about relations with Iran, in view of the recent visit to Qatar by the Iranian Foreign Undersecretary, HH the Amir said "both Iraq and Iran do not want war and the proof is that they are both concentrating on domestic economic development."

Replying to another question concerning the Lebanese crisis and Arab efforts which to some extent led to stability, HH the Amir said: "The tripartite committee assigned by the Casablanca summit to solve the Lebanese crisis had exerted a much appreciated effort and is now embarking on completing its task by removing the remaining obstacles confronting the unity of Lebanon."

Asked about the topics to be taken up with President Mubarak during HH the Amir's forthcoming visit, HH the Amir said: "Cooperation between me and President Mubarak is greater than words can express. Bilateral cooperation with Egypt has existed for a long time, covering education, health and other areas.

Asked about the position of the Third World towards the dramatic changes in superpower relations and in East Europe, HH the Amir said: "This is a good question, but one cannot prejudge events. We have a responsibility, however, to be prepared to adapt to what these events would produce...if the results are negative, there certainly will be a different stand. But if otherwise, it is welcomed."

Commenting on a question by the secretary-general of the African Journalists' Association that the current mandate of Egyptian President Husni Mubarak would witness increased Arab support for Africa, HH the Amir said: "I believe that the Gulf role in this concern is obvious. For example, there are African students studying in Qatar, there are African students pursuing studies in various schools. And there are many of them who have graduated from Qatar University and, as President Mubarak is current OAU [Organization of African Unity] chairman, we shall accept more African students.

Asked whether the next GCC [Gulf Corporation Council] Summit would discuss Egypt, HH the Amir said: "No", and noted that the links between the GCC and Egypt were obvious.

HH the Amir remarked that the GCC leaders had already visited Egypt, with the exception of himself "and for this I hope Mubarak would excuse me," HH Amir said.

Asked what would be the fate of the expatriate labour force now that the process of construction is near complete, HH the Amir said: "To your saying that Qatar has completed the process of building, I would say that my ambition is very much greater than what has been achieved, and as such we are obliged to recruit more to complete the process of progress. The march is long and, in my view, we are still at the beginning".

Replying to a question on topics to be discussed by the forthcoming GCC conference, HH the Amir said: "There would be resolutions. I cannot say what these resolutions are because I do not have here the Summit agenda, but there will be a leap forward".

Asked if the issue of peace between Iraq and Iran would feature on the GCC summit agenda, and whether the GCC states would be able to take any steps in this direction, HH the Amir said: "The GCC has played a very big role in this concern and has sent envoys to the East and West to bridge gaps in viewpoints and reinstate peace in the region."

Asked about the recent Cabinet reshuffle in Qatar, HH the Amir said: "Change can happen in any country". He said the former Ministers had lived with him through the most difficult stages of the post-independence era, and they had done their best in the building of the country.

"They have my appreciation and gratitude. As for the Ministers who joined the new government I sincerely wish them every success", HH the Amir said.

On why some projects within the GCC, such as security and economic projects, did not materialise, HH the Amir noted that he had given his answer to this question, adding that the agreement between the GCC states was "flexible" and that nothing could be imposed against the will of any member state. All matters come through stages and in a gradual and brotherly manner.

Asked how the GCC, ACC [Auxiliary Cadet Corps] and AMU [Aligarh Muslim University] would cooperate with each other, HH the Amir said: "I have said in answer to a previous question that we all belong to the Arab League. Is there anything bigger than the Arab League? We are all members, and each state contributes to the Arab League."

Replying to a question on support for the Palestinian uprising, HH the Amir said: "I believe that the uprising has been supported, will continue to be supported, and we shall ask that it be supported."

Asked on his predictions for oil in the 90s, HH the Amir said: "The boom of the 70s will return and prices will rise again...what do the changes in Eastern Europe mean? What does the drop in the oil production of some producing countries mean? A price increase, of course."

"With population growth, increase is mandatory. They have tried nuclear power and found it to be harmful to the environment. Indeed, prices will rise, not by leaps but gradually, which is better to the producer".

HH the Amir, replying to query on his ambitions for Qatar, said: "For me, the Qatari man is the basis, economically, socially, and internationally."

### Amur Addresses Advisory Council

44000151E Doha GULF TIMES  
in English 13 Dec 89 p 2

[Text of speech by Amur HH Shaykh Khalifa Bin-Hamad Al Thani at the opening of the Advisory Council in Doha on 12 Dec 89]

[Text] Brother citizens, members of the Advisory Council,

In the name of Almighty God, and with His blessing, I open this eighteenth ordinary session of the Advisory Council.

It gives me happiness to express, at the outset, my great appreciation to your honourable Council for its valuable efforts in helping the government carry out its responsibilities in the continuation of our joint march with our faithful people, in order to pursue the requirements of our development and progress.

Brethren,

In the last years our internal policy has been aimed primarily at accelerating the drive to attain the highest possible level of development and growth for our country and our people, in an atmosphere of security and stability which thank God, we enjoy, and which is indispensable to progress and prosperity.

In the economic field, the state has taken this year several steps to reactivate all sectors of the national economy, according to the programmes designed to develop our material and human resources with the object of achieving comprehensive progress.

While calling on the private sector to play a greater role in boosting our economy and diversifying its resources, in cooperation with the public sector, we urge our people to shoulder the main burden in all spheres of work, and participate with all sincerity and conscientiousness in the building of their homeland.

In this respect, I would like to stress that the policies and objectives of work in all Ministries and government bodies are based on the necessity of continuing the endeavours to improve the performance and productivity all civil servants, avoid duplication and develop the capabilities of Qatari cadres.

Brethren,

We give our greatest attention to the utilisation of the natural gas wealth of the North Field. The field will go on stream, God willing, some time next year, with the completion of the first phase of this giant project.

This phase will satisfy the country's vital needs for gas in the industrial sector, in power generation and water desalination.

In addition to the expansion schemes now under way in some existing industries in Umm Said, plans are being

drawn up for further new projects to use the gas and gas liquids produced in the first phase.

Work has recently begun on preparing a comprehensive plan to set up a new industrial area in Ras Laffan, of no less importance than Umm Said area, to accommodate new projects in the near future.

Implementation of the first phase of the North Field project, with a capacity of 800mn cu ft per day is the first step in the overall plan to develop and utilise this field.

The plan also envisages that export of gas to international markets via pipelines or as liquified natural gas, and the setting up of more industries that depend on gas as a fuel or as a primary substance for the production of materials with added value.

The faith in the prominent place expected for Qatari gas in the world gas trade is strengthened by the marked international shift to the use of natural gas due to increased awareness of the need to protect the environment. Natural gas is a clean fuel free of the pollution associated with traditional sources of energy and the risks inherent in nuclear energy.

Brethren,

Next week, the tenth summit meeting of the Cooperation Council for the Arab States of the Gulf will be held in sisterly Oman. We are confident that the coming summit meeting will be a prominent turning point on the road to our common goals on achieving further integration among our countries, promoting the existing aspects of cooperation among our peoples and strengthening security and stability throughout our Gulf region.

Brethren,

Sixteen months have passed since the fighting between Iraq and Iran stopped when the two sisterly countries accepted UN Security Council Resolution 598. However, the negotiations that took place under UN auspices of the implementation of all clauses of that resolution have not as yet reached the desired end.

We call on the UN Secretary-General to continue his much appreciated good offices in this respect, and urge the leaders of the two sisterly countries to proceed with their serious efforts to secure comprehensive and lasting peace for their two Moslem peoples and states.

Brethren,

The Palestinian Intifadah, which has must entered its third year, has created a new situation and has reaffirmed that the Palestinian question is the crux of the Middle East conflict.

The peace initiatives launched by the Palestinian Liberation Organisation in the wake of the declaration of the independent state of Palestine have won wide Arab and international support, which has been reinforced by the

positive changes effected by the valiant Intifadah in the view of most countries on the Palestinian question.

In contrast to these positive developments, Israel persists with its aggressive and oppressive practices against the brotherly Palestinian people and its denial of their legitimate national rights.

While calling for more Arab support to the struggle of the Palestinian people, we urge the international community to work by all means to implement its consensus that the most suitable way to reach a peaceful settlement in the Middle East is through an international peace conference under UN supervision.

Brethren,

We have welcomed, with the international community, the outcome of the efforts of the higher tripartite commission as embodied in the historic Taif conference and the agreement by the Lebanese parliamentarians on the national reconciliation document.

The first fruit of that agreement was the election of the late President Rene Moawad as the legitimate President of Lebanon, and the appointment of Mr Salim al-Hoss as Prime Minister.

Thus the first basic constitutional procedure necessary to restore legitimacy to Lebanon and enable it to solve its crisis in that context was taken, in response to the unified Arab will.

Hardly had a few days passed after that step when the powers that wish Lebanon no peace or entente, but a civil war ending in its partition, committed the hideous crime of assassinating President Moawad in an attempt to throw Lebanon back into a state of fragmentation and loss.

However, the election of HE President Eleas Hrawi with the speed it was accomplished foiled the designs of the lurking enemies of Lebanon and reaffirmed the determination of the Lebanese people to adhere to reconciliation and legitimacy.

We appeal to all Lebanese groups and factions to work for reconciliation and accord among themselves in order to restore unity, security and stability to dear Lebanon.

Brethren,

The State of Qatar has always affirmed its deeply rooted conviction in the inevitability of Arab solidarity and the importance of joint Arab action in attaining the sublime goals of our Arab Nation and safeguarding its security and stability in face of all threats and challenges.

Out of this conviction, the State of Qatar has warmly welcomed the foundation of the Arab Cooperation Council and the Arab Maghreb Union as two significant steps, in the context of the Arab League Charter, towards the realisation of comprehensive cooperation among Arab countries and people.

We wish these two Arab organisations all success in accomplishing their goals for their countries as well for the Arab and Moslem nation.

Brethren,

The international arena is, nowadays, witnessing momentous changes. The Malta Summit between the American and the Soviet Presidents has heralded a new era in which the two superpowers seek to establish permanent peace instead of the cold war, thus leading to a radical change in East-West relations.

We hope that this rapprochement between the two superpowers will contribute to world stability and strengthen world peace and security. We also hope that this policy will have a positive impact with respect to the recognition of the right to self-determination of all nations, and the realisation of progress and prosperity aspired for by developing countries under international cooperation.

Meanwhile Western Europe is seeking to complete the economic unity in 1992. There are also radical changes taking place in some East European countries. The anticipated consequences of these changes on the political, economic, and other planes will, undoubtedly, be among the most important features of the international scene in the coming decade.

We are obliged to comprehend fully these changes, to study their possible impact on us, and to prepare ourselves to deal with the new situations emerging from them at an international level. Perhaps the best we can do in this respect is to strengthen our unity to be able to deal with the major economic entities, in the East as well as in the West, to serve our common interests on an equal footing.

Brethren,

Our determination to occupy an appropriate position in the modern world and continue the steady march to progress requires that we continue work in a determined spirit that expresses the will of our people to explore the horizons of the future and keep up with world progress.

I beseech Almighty God to lead us along the right path, and always lead us to success in our efforts for the good and dignity of our beloved country and dear nation.

### **New Industrial Expansion Planned**

44000151C Doha GULF TIMES  
in English 11 Dec 89 pp 1, 16

[Article by K. N. Sharma: "Industry's Northward Expansion"]

[Text] Qatar plans a new industrial township at Ras Laffan, in the north-east, to boost domestic utilisation of its mammoth North Field gas deposits.

Qatar General Petroleum Corporation managing director Dr Jabir 'Abd-al-Hadi al-Murri said a feasibility

study was almost complete, and a plan giving concrete shape to the project was being drawn up.

He said foreign participation in new industries was being encouraged based on the availability of adequate and secure supplies of raw materials, and the provision of attractive incentives.

Dr al-Murri was presenting a paper on the future of the gas industry in Qatar to the second seminar on "Utilisation of natural gas in Arab countries" at the Doha Sheraton yesterday.

He said two major industrial projects—a 2,500 tonnes-a-year Methanol and a 450,000 tonnes-a-year petrochemicals complex—had already been finished. A formal announcement of their go-ahead was expected within a few months.

Earlier, opening the seminar on behalf of the Minister for Finance and Petroleum, HE Shaykh 'Abd-al-'Aziz bin Khalifa Al Thani, Dr al-Murri said Arab countries were witnessing encouraging development in the field of gas, with a greater rate of utilisation and increase in reserves. The UAE [United Arab Emirates] had set up a gas network for the northern emirates and was using gas—and not oil—to generate electricity. The GCC [Gulf Corporation Council] and Arab Maghreb countries were planning their own gas grid.

He said Arab countries had enormous gas reserves, of which only a fraction was being used for industries. He called for joint Arab cooperation in the utilisation of its gas resources and intra-Arab trade in gas.

Dr Faud al-Mahmud, vice-chairman of Qatar Fertilisers Co, who presided at the first session of the seminar, announced that QAFCO [Qatar Fertilizer Company] was "definitely" going ahead with expansion to produce 1,500 to 1,700 tonnes-a-day of ammonia and 1,800 to 2,000 tonnes-a-year of urea, by mid-1993.

Qatar's first industrial township, Umm Said, is already home to a number of gas-based industries, such as steel, fertilisers, petrochemicals and gas liquids separation plants.

The exploitation of the North Field—one of the world's largest single reservoirs of natural gas—has added new impetus to the country's industrial ambitions.

Dr al-Murri said the proposed expansion of fertiliser and petrochemical complexes and the setting-up of an aluminium smelter were based on a 250mn cubic feet-a-day gas surplus, which would be available from the North Field's total 800mn cfd output in the first phase.

The country's existing industries and utilities already needed 500mn cfd for fuel or feed. The target date for the North Field to go on stream was early 1991. The surplus gas would be reinjected into Dukhan Khuff strategic reservoir until the proposed industries go on production.

Dr al-Murri said Qatar also planned to export gas in the second phase of the North Field development. Studies

for the implementation of the next phase were already under way, likely to be completed within a few months.

He said several neighbouring countries, members of the GCC, had expressed serious interest in Qatari gas. It could be supplied to them by tanker or piped to them. The modalities and other allied matters were being looked into by a GCC team.

The QGPC [Qatar General Petroleum Company] managing director said he hoped to secure "letters of intent" from Japanese consumers for Qatari liquefied natural gas (LNG), "within a few months".

He said the LNG market had significantly improved in the Far East. Sometime ago it was considered there would be room for 10-11mn tonnes a year of additional LNG, by the mid-90s. But on a close study it had turned out to be a 22mn tonnes a year.

Dr al-Murri said Qatar stood a chance of securing a market in the Far East. Qatar's project was expected to be 6mn tonnes a year of LNG. Its partners are BP, CFP-Total, Marubeni and Mitsui—all holding 7.5 per cent stake in the equity. The QGPC holds 70 per cent.

The five-day seminar, organised by the Organisation of Arab Petroleum Exporting Countries (Oapec) in cooperation with QGPC, is being attended by observers and delegates from various Arab countries, the Soviet Union, UK, Norway, France and Italy.

Oapec acting secretary-general 'Abd-al-'Aziz al-Wattari said that two factors were vital in the development of the Arab oil industry and its orientation towards exports or local consumption. There were prices and developmental considerations.

Saying that prices played a decisive role in planning gas export facilities, especially if the gas was to be exported, Mr al-Wattari maintained that extreme caution should be exercised toward price forecasts, especially since global competition between exporters in different areas might prevent the realisation of a net return.

"However important the gas industry may be in any one Arab country, its feasibility is still limited by economies of scale and the large economic blocs emerging throughout the world, which can only be countered by a similar bloc encompassing all the Arab countries," he said.

Mr al-Wattari stressed that the benefits of using Arab gas in the Arab countries far outweighed the gains of exporting it, because exporting gas was far more costly than directing it to local consumption.

"Moreover, the Arab countries derive greater netback value from exporting their oil than from consuming it locally, so substituting natural gas for oil locally would increase the total income generated from the recovery of hydrocarbon resources," he said.

The seminar is due to last for five days.

### Loan for North Field Gas Project Obtained

44000151B Doha GULF TIMES  
in English 12 Dec 89 p 1

[Article by K. N. Sharma: "QGPC Takes up \$400mn Loan"]

[Text] Qatar General Petroleum Corporation [QGPC] yesterday signed a \$400mn syndicated loan from a group of nine bankers, to fund on-going work on its massive North Field gas project.

The three-year loan, priced at 22.5 basis points above the London Interbank Offered Rate (Libor), according to Mr Abdullah Khalid al-Attayah, general manager of Qatar National Bank, is equally split at \$44mn each among all participating banks.

The banks are, besides Qatar National Bank: the Bahrain-based Gulf International Bank, Dhahran-based Arab Petroleum Investment Corporation and the Gulf Investment Corporation of Kuwait.

Other banks included in the package are Britain's National Westminster Bank, Japan's Bank of Tokyo, Mitsubishi Bank, Chase Investment Bank and Jeddah-based Riyadh Bank.

The deal was to be signed in March, but the detailed negotiations were delayed. Also, QGPC, financing the first phase of the project through the sale of a 40,000 barrels a day of oil, especially earmarked for the project, has not been in a hurry to avail itself of the loan.

Work on the first phase involves tapping of 800mn cubic feet a day of gas from the 380-trillion cubic feet reservoir in shallow waters, 80km off the land fall at Ras Laffan.

Work began in May 1987 and is likely to be completed by the end of next year. The field is expected to go onstream in early 1991.

The loan is "self-liquidating". Officials expect 50,000 b/d of liquids and condensates to be produced during the first-phase operation. Income from that should be enough to repay the loan in less than three years.

### SAUDI ARABIA

#### Abha Regional Airport Opens

44000168B Jeddah ARAB NEWS  
in English 21 Dec 89 p 2

[Text] Riyadh, Dec 19 (SPA)—The value of non-oil Saudi national commodities totaled SR10,088 million during the first nine months of 1989, showing an increase of five percent over the same period last year.

An official source of the Finance and National Economy Ministry said a report released by the Public Statistics Department on the Kingdom's exports of local commodities and re-exported foreign commodities for the first nine months of 1989 showed that the Kingdom's petrochemical and plastic products exports fetched SR7,398 million,

recording an increase of two percent over the same period for the last year and other exported commodities fetched SR2,690 million showing an increase of 14 percent over their value for the same period last year.

The report said the total value of the Kingdom's re-exports of foreign imported commodities during the first nine months of this year amounted to SR1,480 million, registering a decrease of 15 percent in comparison with the same period last year.

The report noted drop in the value of quantity of imported cement, reinforcing steel, cardmon, coffee, lubrication oils, medicines and raw plastic while the amount of imported corn, barley, jewellery and gold ornaments recorded an increase.

Regarding trade exchanges between the Kingdom and other member states of the Gulf Cooperation Council (GCC), the report said the Kingdom's exports of non-oil national commodities to the GCC states amounted during the first nine months of SR1,603 million recording an increase of 14.7 percent over the same period last year.

The report said the amount of re-exported foreign commodities to GCC states reached SR283 million.

As for the Kingdom's total imports from GCC states' national commodities, it said they amounted to SR1,403 million showing an increase of 21 percent in comparison with the same period last year.

The Kingdom's imports of the re-exported commodities during the same period amounted to SR1,170 million, recording a decrease of 2.3 percent in comparison to the same period for 1988.

The report said the total value of the Kingdom's imports from the GCC countries amounted to SR2,573 million during the first nine months of 1989 while their total value for the same period last year amounted to SR2,359 million showing an increase of 9 percent.

### Report Shows Rise in Non-oil Exports

44000168A Jeddah ARAB NEWS  
in English 20 Dec 89 p 3

[Text] Abha, Dec 20 (SPA)—Abha regional airport has been opened for aviation effective from last Monday, after completing the first phase of the project, Prince Faysal ibn Bandar, vice governor of Asir, said.

In a statement to the Saudi Press Agency, he disclosed that Prince Sultan, second deputy premier and minister of defense and aviation, has agreed to utilize one of the runways of the King Khalid Air Base as a substitute airport during the construction period. The number of passengers to and from the region is on a steady increase due to the density of the population and extensive development activities, Prince Faysal pointed out. The average number of incoming and outgoing passengers

has reached 2,000 a day. This is expected to rise from now on in view of the use of giant aircraft, he added.

The project has cost SR142 million, he said, adding that the second phase will be completed within one year. This phase includes expansion of the lounges, passageways and other facilities, Prince Faysal said.

He also expressed his deep sense of gratitude in connection with the opening of the airport to Custodian of the Two Holy Mosques King Fahd, Crown Prince 'Abdallah, deputy premier and commander of the National Guard, Prince Sultan and Asir Governor Prince Khalid al-Faysal.

### UNITED ARAB EMIRATES

#### Non-oil Growth Rate Increases in Dubayy

44000166A Dubayy GULF NEWS  
in English 11 Dec 89 p 13

[Text] The growth rate of Dubayy's total non-oil trade more than doubled in the first three quarters of this year compared with the growth rate during the same period of 1988.

While imports are nudging the Dh 20 billion mark, exports have crossed the Dh 1,500 million mark and re-exports have recorded a milestone by crossing the Dh 4.75 billion mark.

However, since both exports and re-exports constitute little more than 20 percent of total non-oil trade, the significance of their dramatic growth pales before the gigantic increases in imports.

If the growth rate continues at the same level during the last three months of 1989, imports are expected to surpass last year's level of Dh 22.27 billion by more than Dh 5 billion by the end of this year.

Dubayy's total non-oil trade grew 23.61 percent during the first three quarters of this year against a growth rate of 11.11 percent during the same period of 1988.

In value terms it increased to Dh 26.14 billion from Dh 21.15 billion in 1988 and Dh 19.04 billion during the first nine months of 1987.

Imports are pushing the Dh 20 billion mark already at Dh 19.87 billion against Dh 16.20 billion during the first three quarters of 1988 and Dh 14.08 billion in the comparable period of 1987. Their growth rate has increased from 15 percent during 1988 to 22.66 percent this year.

Though exports during the first nine months of this year have crossed the Dh 1,500 million mark at Dh 1,510.04 million, their growth rate has declined slightly from a dramatic 28 percent last year to about 23 percent this year. Exports stood at Dh 1,228.56 million and Dh 958.91 million during the comparative periods of 1988 and 1987 respectively.

Re-exports, too, have shown a significant increase of around 28 percent from Dh 3.72 billion during the first nine months of 1988, to Dh 4.76 billion in the same period of this year. Growth last year declined seven percent from Dh 4 billion

during the first three quarters of 1987. Thus the tremendous increase in re-exports during the first nine months of this year is all the more dramatic.

Statistics for September this year also reveal some interesting records. For the first time, September, 1989 saw total non-oil trade cross the Dh 2.5 billion mark at Dh 2.74 billion. It stood at Dh 2.2 billion and Dh 2.06 billion during September 1988 and 1987 respectively. Its growth rate increased significantly from seven percent during September last year to up to 25 percent during September 1989.

Imports have crossed the Dh 2 billion mark at Dh 2,069.11 million, an increase of about 23 percent. They stood at Dh 1,676.89 million and Dh 1,546.37 million in September 1988 and 1987 with a growth rate of only 8.44 percent last year over September 1987.

The export growth rate has fallen from around 34 percent to about 21 percent. Exports stood at Dh 170.96 million during September this year against Dh 140.76 million and Dh 104.79 million during September 1988 and 1987.

Against a negative growth rate of more than five percent in re-exports last year, September 1989 recorded a growth rate of more than 30 percent. They stood at Dh 502.63 million against Dh 385.09 million and Dh 407.42 million during the comparative months of 1988 and 1987.

## YEMAN ARAB REPUBLIC

### 'Ali Nasir Muhammad Renounces Political Life

44000171 Sanaa Domestic Service  
in Arabic 1700 GMT 31 Dec 89

[Excerpts] Brother 'Ali Nasir Muhammad has announced his abdication from political life.

In a statement made to SABA' news agency today, he said: These days, our country—north and south—has witnessed intense and rapid unity actions to implement the historic Aden agreement of 30 November 1989 in full. According to that agreement, the political leaders of the two parts of the homeland have approved a draft resolution for the unity state and referred it to legislative authorities in the two parts prior to its submission before a referendum. The magnificence of any action is measured by its appropriate place in peoples' history and by its response to the masses' aspirations and great objectives. The achievement of Yemeni unity by peaceful and democratic means is by all standards a major historic act and a progressive civilized accomplishment that corresponds to the level of the historic status of the 26 September and 14 October Revolutions, since it constitutes a new launching point from which our people, with all their active forces, will force the way to their shining future with unity and strength. [passage omitted]

'Ali Nasir Muhammad also said: In these historic times, I feel that my purpose in life has almost been concluded, and that I have played my role for the benefit of people's dignity, unity, and progress. I will leave it to history to judge that modest role, since I am only one of the sons of this great people, for whom I hold all respect and loyalty. I feel that the supreme national interest at this critical point calls upon me to quit my current political position. I urge everyone to forget the pain and wounds of the past, and to rise to the level of national responsibility, which calls on all of us to respond to the fateful events in our country with a self-denial that puts the interest of the homeland and people before any other interest or objective. [passage omitted]

## BANGLADESH

### Ershad Appoints New Cabinet Minister, State Minister

46001195 Dhaka THE NEW NATION  
in English 15 Nov 89 pp 1, 8

[Article: "Razia Faiz Made Minister, Mansoor Ali State Minister"]

[Text] President Ershad yesterday appointed Syeda Razia Faiz as minister and Alhaj Mohammad Mansoor Ali Sarker as state minister, reports BSS.

The President administered the oath of office to the newly appointed minister and the state minister at a simple ceremony held at the President's secretariat in Dhaka.

Syeda Razia Faiz has been given the portfolio of the Ministry of Women Affairs while Alhaj Mohammad Mansoor Ali Sarker was made the state minister in the Ministry of Education.

Mr Rezwanaul Huq Chowdhury who was the Minister for Social Welfare and Women Affairs has been allocated the portfolio of the Social Welfare Ministry. Mr Nitai Roy Chowdhury who was the State Minister for Education has been made State Minister in the Ministry of Law and Justice.

### Ershad Says Air Force Can Protect Airspace

46001187A Dhaka THE BANGLADESH OBSERVER  
in English 4 Dec 89 pp 1, 10

[Text] President Hussain Muhammad Ershad said in Dhaka on Sunday that the Bangladesh Air Force (BAF) had attained the capability to provide security to the airspace of the country through its hard work and continued training, reports BSS.

Addressing the officers and airmen at the induction ceremony of F-7 and an 32 aircraft in the BAF at Base Bashar, the President said the BAF which began its journey on September 28, 1971 with only two aircraft and one helicopter had reached the present stage through its timely expansion and modernisation.

President Ershad, who is the Supreme commander of the Armed Forces, said the Armed Forces were the symbol of national security, unity and solidarity and hence it was the desire that all the departments of the armed forces would achieve military strength and technological efficiency as complementary to each other.

He said in the light of the experience of the last 18 years, it had been realised that the Air Force would have to remain ever alert to protect the national independence and sovereignty and at the same time face the natural calamities.

The President said no independent nation could neglect the responsibility of ensuring the country's independence and sovereignty. "As a self-respecting nation we also cannot ignore this aspect of our national life", he pointed out.

He referred to the efforts now being made in the present day world for the development and modernisation of the armed forces and said keeping this in view we shall have to build and modernise our forces as far as possible in spite of our limited resources.

He said no nation which was determined to improve its condition could remain under developed.

The President felicitated the BAF for inducting F-7 aircraft in its fold and hoped that all from the pilots to the airmen would discharge their responsibility in the maintenance of the aircraft and make concerted efforts in this regard. He thanked the Government of China for the supply of F-7 aircraft and said, we always remember with gratitude the assistance being provided by China for achieving national development in different sectors.

On arrival at the BAF base Bashar accompanied by Chief of Air Staff Air Vice-Marshal Mumtazuddin Ahmed, President Ershad was given a guard of honour by a smartly turned out contingent of the Air Force.

### Formation of New Government Advisory Bodies Told

#### National Productivity Council

46001193A Dhaka THE NEW NATION  
in English 15 Nov 89 p 3

[Text] The government has formed a National Productivity Council to accelerate the national productivity through the concerted endeavour of official and professionals drawn from different disciplines and fields of expertise, reports BSS.

The high level council will consist of 30 members with the Vice-President Moudud Ahmed, in charge of the Ministry of Industries as its President.

Members of the National Productivity Council are secretaries of the ministries of Industries, Planning, Jute, Textiles, Commerce, Agriculture, Road and Road Transport Division, Power, Energy and Mineral Resources, Labour and Manpower, President of the Concope, President of Bangladesh Employee's Association, President of Federal of Chambers of Commerce and Industries, President of Metropolitan Chamber of Commerce and Industries, President of Bangladesh Jute Mills Association, President of Bangladesh Jute Spinners Association, President of Textile Mills Association, President of National Small and Cottage Industries Association, President of Jatiya Sramik Party, President of Trade Union Kendra, President of Jatiya Sramik Federation, General

Secretary of Bangladesh Jatiyatabadi Sramik Dal, General Secretary of Bangladesh Trade Union Sangha, Vice-Chancellor of University of Engineering and Technology, Vice-Chancellor of Agricultural university, President of Engineers' Institution of Bangladesh, President of Bangladesh Economic Association and Director of National Productivity Organisation (Member-Secretary).

The National Productivity Council will advise the government on matters such as evolving strategy and techniques and formulation of policy guide lines for raising national productivity in a sustained and systematic manner.

It will also chalk out programme to improve the trend of productivity and deal with any other matter that would contribute to augmenting national productivity.

### Land Reform Council

46001193A Dhaka THE BANGLADESH OBSERVER  
in English 3 Nov 89 p 10

[Text] The Government has reconstituted and expanded the jurisdiction of the National Land Reform Council, reports BSS.

A Government handout said on Thursday Agriculture Minister M. A. Munem would act as the Chairman of the Standing Committee of the recently reconstituted council and Minister for Environment and Forest, A. K. M. Mayeedul, Islam would be acting as a member in a personal capacity.

The Ministers of the Ministries of Agriculture, Land and Finance and Secretaries of the Cabinet Division, Finance and Establishment are the other members.

Managing Director of the Grameen Bank Dr Mohammad Yunus and Chairman of Bangladesh Rural Advancement Committee (BRAC) will also serve in the council as members.

The council will submit recommendations on the 1984 Land Reform Ordinance its implementations and implications of all relevant laws rules and decisions it will also examine and, if necessary submit recommendations on the 1983 report of the Land Reform Committee, recommend the necessity of any amendment or change to any laws and rules and also submit recommendations after reviewing the decisions of the Land Reform Commission for expeditious implementation.

The next meeting of the council will be held on November 4 at the Ministry of Agriculture, the handout said.

### Bangladesh Fishermen Killed by Burmese Border Guards

46001181A Dhaka THE BANGLADESH OBSERVER  
in English 19 Dec 89 pp 1, 10

[Text] Chittagong, Dec 18—Two Bangladeshi fishermen were shot dead by the Burmese border security forces in Teknaf Upazila of Cox's Bazar district last Friday night.

According to a delayed report, the fishermen Abdur Rahim (35) and Kamal Hossain (37) were fired upon by the 'Lunthin' forces while they went fishing within Bangladesh territorial water of Naaf river. The Lunthin forces were on night patrol along the river bank.

The Teknaf police recovered the bodies of two victims.

A cash has been registered with Teknaf thana in this connection.

BSS adds: Bangladesh authorities have lodged a strong protest with the Burmese authorities over the killing of two Bangladesh fishermen by the Burmese border security forces Friday night, official sources from Cox's Bazar told BSS today.

The sources said the security forces of Burma picked up the two Bangladeshi fishermen from the Bangladesh water territory in the river Naaf. Later, the fishermen were shot dead and their bodies were thrown into the river by the Burmese security forces.

The protest note said the incident would badly affect the existing friendly relations between the two countries.

Bangladesh asked the Burmese authorities to find out the offenders and give them exemplary punishment.

Bangladesh also demanded proper compensation for the victims.

### Bangladesh-Thailand Cooperation Panel Signs Protocol

46001179A Dhaka THE BANGLADESH OBSERVER  
in English 22 Dec 89 p 10

[Text] Bangladesh and Thailand have decided to enlarge further their bilateral cooperation in different fields to the mutual benefits of the two friendly countries, reports BSS.

Fresh areas for cooperation have been covered under an agreed minute signed between the two countries at the end of the third session of the Bangladesh-Thailand Joint Commission on Cooperation.

Foreign Secretary Abul Ahsan signed the agreed minutes on behalf of Bangladesh while Deputy Foreign Minister for Thailand Prapas Limpabandhu signed on behalf of his country.

Official sources said that the signed agreed minutes covered entire gamut of bilateral relations. These included trade cooperation and promotion, investment collaboration, livestock and fisheries, maritime and shipping, civil aviation and tourism, technical cooperation, cultural cooperation and exchanges of data and information in the field of environment.

Several new areas including environment have been brought under cooperation between the two countries, signalling expansion of existing bilateral economic cooperation.

The two-day talks under the aegis of the Joint Commission were marked by cordiality reflecting the growing cooperation between the two countries in different fields.

Both sides agreed that the next meeting of the Bangladesh-Thai Joint Commission would be held in Bangkok in 1990 at a mutually convenient date.

The third meeting of the Commission was inaugurated in Dhaka by Foreign Minister Anisul Islam Mahmud.

In their concluding remarks, Foreign Secretary Abul Ahsan and Thai Deputy Foreign Minister Prapas Limpabandhu expressed their confidence that the existing friendly ties between the two countries would be strengthened further and consolidated in the days ahead.

The Thai Minister, during his stay here, also called on President H. M. Ershad.

#### **Bangladesh-Bhutan Flood Control Panel Meets**

46001178A Dhaka THE BANGLADESH OBSERVER  
in English 28 Dec 89 p 10

[Text] The third meeting of the Bangladesh Bhutan Joint Team of officials on flood control and flood mitigation in Bangladesh got underway at the conference room of the Ministry of Irrigation, Water Development and Flood Control on Wednesday, reports BSS.

The Bhutanese side is being led by Mr Dashu Leki Dorji, Secretary, Ministry of Agriculture and the Bangladesh side by Syed Shameem Ahsan, Secretary Ministry of Irrigation, Water Development and Flood Control at the two-day meeting.

At the plenary session the two sides reaffirmed their commitments to work together for mitigating the floods in Bangladesh. To this end the two sides agreed to initiate immediate cooperation in the field of flood forecasting and warning and Hydrometeorology through an action programme under an institutional frame work.

Earlier, the delegation called on Irrigation, Water Development and Flood Control Minister A. B. M. Ghulam Mostafa at the latter's office.

They reviewed the outcome of the two meetings of the joint team on flood control held earlier in pursuance of the meeting between President Ershad and the King of Bhutan in October last year.

The Bhutanese Ambassador in Bangladesh Karma Dorji and Chairman Water Development Board Md. Amjad Hossain Khan were present during the discussion.

The delegation also called on the Secretary of the Irrigation, Water Development and Flood Control Ministry, Syed Shameem Ahsan.

#### **Election Panel Gives Schedule for March Elections**

46001183A Dhaka THE BANGLADESH OBSERVER  
in English 12 Dec 89 pp 1, 10

[Text] The elections to the offices of the chairmen of Upazila Parishads of the country will be held from March 13 to 24 next year, it was announced in Dhaka on Monday by the Election Commission, reports BSS.

Announcing the detailed schedule of the elections, the Election Commission said nomination papers are to be filed with the returning officers on February 17, 1990.

Scrutiny of the nomination papers will be held on February 18. The last date of withdrawal of candidature has been fixed on February 25.

This will be the second polls to the offices of the chairmen of the Upazila Parishad. The first elections to the offices of the chairmen of the country's 460 Upazila Parishads were held on May 16 and May 20 in 1985.

The Upazila Parishads under the epoch-making administrative decentralisation programme of President Ershad have been making positive contribution to the nation-building process, particularly in the rural development field.

UNB adds: The election, second since the system was introduced in 1984, will be spread over 12 days starting March 13. The curtain will fall on March 24.

The first upazila election held in 1985 was marred by massive violence and rigging.

Over 50 million electorate will vote for chairmen to 460 Upazilas.

The first Upazila election as boycotted by the country's major opposition parties and alliances giving free hand to the ruling Jatiya Party candidates.

There are strong indications that the opposition may take part in the upcoming Upazila elections if there was sufficient guarantee of non-interference by the Jatiya Party government in favour of its candidates.

President Hussain Muhammad Ershad on Monday said steps would be taken for fair holding of the forthcoming Upazila Parishad election in March next.

Addressing the Upazila chairmen from all over the country at the plenary hall of International Conference Centre (ICC), the President expressed the hope that smooth and fair holding of the polls would further strengthen the upazila system.

He hoped that through the election, to be held on non-party basis, competent and dedicated people would be elected who would spearhead various development programmes of the Government at the grass root level.

President Ershad said the people had accepted the upazila system and that is why it would be further strengthened. He hoped that the upazila chairmen would work with total commitment for the overall development and uplift of the fate of the people of their respective areas.

### Officials Note Reduction in Water Inflow From Ganges

46001196 Dhaka *THE BANGLADESH OBSERVER*  
in English 7 Nov 89 pp 1, 10

[Article: "Crop Areas Turn Into Arid Land"]

[Text] Inflow of Ganges water from the upper catchment areas has come down to a meagre 14,000 cusec intensifying the desertification process in Bangladesh, official sources said on Monday.

The small volume of water currently available inside Bangladesh compared to 33,000 cusec in the last season, experts said, could be generated in lower catchment rivers.

"This proves that no water was released at all through the Farakka at the beginning of the current dry season," Water Development Board (WDB) experts told UNB.

Water and soil experts said the desertification that arose out of unilateral withdrawal of water in the upper reaches of the Ganges has caused reduction of water level triggering poor flow of the Padma and other tributaries in Bangladesh during the dry season.

It has also increased soil salinity in 21 districts of the country by 40 percent, they said.

As a result, the experts apprehended, more than 1.20 crore acres of cultivable area in as many as 21 southwestern and northern districts of the country may turn into a vast expanse of desolate arid land.

Excessive withdrawal of water in the upper reaches of the Ganges has been increasingly lowering the moisture content of soil in southwestern and northern Bangladesh, which a soil expert termed "a sure sign of desertification."

Quoting a study on the country's present condition of soil moisture he said the Critical Point of Moisture (lowest percentage of moisture in the soil), usually recorded in April or May before 1975, has come forward over the last few years to February.

"It has squeezed land and the volume of Rabi crop production in the greater Rajshahi, Pabna, Kushtia, Faridpur, Jessore, Khulna and Barisal districts," the expert said.

Rise of the surface water salinity and soil intrusion salinity in the districts served by the Padma will force a change in the usual cropping pattern in those districts, he added.

The areas in the Sundarbans also fell a victim to the process of desertification due to increasing rate of salinity and frequent drought which hampered regeneration process of the local flora, the soil expert said.

Trees in these areas have been dying, he pointed out, as a result of increasing salinity and less discharge of fresh water from the upper reaches of the Ganges.

Official sources said that a representative from the United Nations Environment Programme (UNEP) visited Bangladesh in September 1986, prepared a draft study and submitted it to an international conference on ecology held in Geneva in March 1987.

A number of donor countries represented in the conference evinced interest in helping Bangladesh combat increasing desertification, they said.

Proposal for a 628.65 lakh Taka-project for a comprehensive study on combatting desertification in Bangladesh is awaiting approval, said officials of the Irrigation, Water Development and Flood Control Ministry.

### Paper Reports Changes in Shanti Bahini Leadership

46001192A Dhaka *THE BANGLADESH OBSERVER*  
in English 20 Nov 89 pp 1, 10

[Text] Chittagong, Nov 19—The Parbatta Chattagram Jana Shanghati Samity (JSS), which is the apex political body of the armed Shanti Bahini have undergone a major reshuffle recently.

This shake up of JSS Central Committee was reportedly necessitated by their policy makers from among the influential rebel tribal leaders particularly after the three hill districts local Government Parishad elections successfully on June 25.

According to reliable sources, new comers who are formally embarked on the leadership of rebel tribals and inducted into the JSS Central Committee are: Upendra Lal Chakma, Nunu Marma, Indu Chakma and Ajit Kumar Chakma. Incidentally, Nunu Marma is the lone figure representing the second major tribal Marma other than the Chakmas except Nunu Marma the other twelve tribes other than the Chakma tribe of Chaittagong Hill-tracts [CHT] thus have no representative to be inducted in the Jana Shanghati Samity Central Committee. But it is noteworthy to notice how quickly Upendra Lal Chakma could assent to that coveted supreme JSS Body. However, it finally gives clear impression that Upendra Lal Marma, a former Presidential adviser, was always their hard core man though he openly hobnobbed with the Bangladesh side at all levels for a peaceful solution to CHT issues.

Mr Jytindra Bodhi Priya Larma Nicknamed Shantu Larma still retains his supreme command both over JSS Central Committee and Shanti Bahini. But Upen Bala with his vast political and functional experiences is obviously the best brain to effectively guide both the JSS

and Shanti Bahini. Still the Shantu Larma is the supreme field commander of the Shanti Bahini while Sunil Chakma is the field commander.

It could not be known who are the other leaders from the Central Committee of JSS during the latest reshuffle. Notwithstanding, the other Central Committee members are Kushalk Chakma, Jotirmoy Dewan, Ambboth Kuma Dewan, Prajit Chakma, Sunil Chakma Sulej Chakma, Shamiron Chakma, Sanchoi Chakma, Pele Chakma, Rupayan Chakma and Jimi Chakma. One source claimed to be close to the Shanti Bahini said that reorganisation of the JSS central leadership became indispensable in the changed situation.

The JSS command reportedly resolved that all out efforts would be taken to hold back the Bangladeshi tribals in the refugee camps to further intensify the insurgency activities in CHT, to disrupt the road and waterway communication, to kidnap and assassination of Chairman and members of Local Government Parishads and to carry out subversive activities.

#### **Police Assault Against Shimulia 'Peer' Described**

46001180A Dhaka THE NEW NATION  
in English 20 Dec 89 pp 1, 8

[Article by Sheikh Mohiuddin: "A Testimony To Dreadful Ordeal"]

[Text] A mystery shrouds the "44-hour battle" between the heavily armed police and the disciples of 'Peer' Maj (ret'd) Matiur Rahman at Shimulia, a village under Pakundia upazila in Kishoreganj district. The turmoil that broke out on December 11 in the afternoon and ended on December 13 in the morning left 21 dead and several others injured.

During his visit to Shimulia on Saturday, this correspondent went round the 'citadel' of the 'peer' which was located on a patch of land surrounded by houses of the villagers who are not his disciples. These houses were burnt during the police operation and their charred structures were still testifying to the dreadful ordeal. Some of the 'peer's' next-door neighbours are Sohrab Prodhon Asgar Ali Member, Badsha Miah and Osmad Bhuiya.

The citadel of the 'peer' consisted of a semi-pucca narrow structure and four five tinshed houses without any wall around to fence off the area. There was a small cottage industry in one of these houses.

The confrontation between the police and disciples of the 'peer' was the culmination of an incident involving a Hindu boy, Debabrata Bose, who hails from Jhenidah. In early November, his parents complained to the police that their son had been detained by the disciples of the 'peer.'

When the police went there to recover the boy, the disciples of the 'peer' claimed that the boy had voluntarily embraced Islam. He was also found with a tupa

(cap) on his head. On asking he said that he had become a Muslim. However, the police took away the boy and handed him over to his parents.

The case gave rise to suspicion about the movement of the 'peer' in the mind of the Superintendent of Police [SP] who had been posted a Kishoreganj about six months ago. He told this correspondent, 'after recovery of the boy I felt interested in investigating the affairs in the Peer's home.' [Quotation marks as published]

He directed the local special branch of the police to keep watch on the movement of the peer and his disciples. Accordingly, watchers were posted in Shimulia. The watcher whose detention at the citadel of the peer led to the confrontation between the two sides went there on routine duty by a bicycle hired from a shop.

During the subsequent operation by the police to recover the watcher, resistance was put up by the disciples of the 'peer'. In the first attack from the 'peer's' followers one policeman was killed, claimed the police sources.

The first batch of the policemen numbering 40 fled to a safe distance leaving behind their three vehicles. On receipt of message from them the SP rushed to the place taking more police force along with him.

The police took position at strategic points and started firing into the citadel of the peer when attempts to persuade them to surrender through announcement on mike failed. But the disciples of the peer replied the police firings with occasional gunshots.

On the following day the driver of the transport of the SP who was going to be promoted made a desperate bid to take the 'peer's' disciples on with a firearm grabbed from a colleague. He entered a school house in which two armed followers of the 'peer' were lurking. They instantly shot to death the driver of the police van.

The police LMG [Light Machine Gun] then roared out and finished the two disciples of the 'peer' said the SP of Kishoreganj talking to this correspondent.

The police force was further reinforced with the arrival of new contingents from Narsingdi, Bhairab, Mymensingh and armed battalion from Dhaka. The armed battalion carried the mortars to the place. The police force numbering about 700 was spread over the entire village and its adjoining villages.

The police used LMGs and mortars throughout the night but the disciples of the 'peer' did not counter. In the morning of December 13, the police resumed firing at around 8 a.m. and found the other side completely silent.

The SP said, "well, then they were raising their capped heads above the trenches one after another to look around and the police were finishing them one after another."

The police arrested about 50 persons in this connection. Khodeza Banu, 50, told this correspondent that her son

Liaquat Ali who was involved in 'tablig' used to attend the waj mehfil there regularly but he was not a disciple of the peer. Yet he has been arrested by the police.

The villagers said that the 'peer' was not interested in making the local people his disciples.

At the final stage of the police operation, the Dig of Police, Dhaka Range, led it. The Deputy commissioner of Kishoregonj and the local Mp also went there during the gunbattle.

### **Bumper Rice Harvest Predicted To Ease Food Situation**

46001194 Dhaka *THE NEW NATION*  
in English 16 Nov 89 pp 1, 8

[Article: "Bumper 'Aman' Harvest To Ease Food Situation"]

[Text] A bumper rice harvest, estimated officially at over nine million tons, will lead to a substantial improvement in the overall food availability situation this year.

A rough reckoning suggests that additional 1.5 million tons of rice over what was projected at the beginning of the year will be available from 'Aman' crop this year. Favourable weather and improved farm practices have both contributed to the 'record' aman production.

But, the availability of over nine million tons of rice during the aman crop has posed severe problems for the growers. In the key aman crop growing areas in the northern and other districts of the country, price of rice has plummeted to less than Taka eight per seer which is considered far less than the remunerative level for the growers in view of the steady rise in production costs following the withdrawal or phasing out of production subsidies in the agricultural sector over recent years.

With prices down, the incomes of the growers will also be down if effective moves are not taken for the success of the international procurement operations of the government with reasonable price incentives or for adequate marketing and storage arrangements of rice. This happening, the depressed prices will act as the major disincentive for the growers to make sustained efforts to raise production in the next 'boro' season and also in the coming year. Effective price support at the growers levels, as the knowledgeable circles suggest will go a long way in raising the level of aman production next year to ten million tons and thus making it possible to attain the latest target for achieving food autarky by 1992.

Already the prevailing depressed level of prices has tended to depress agricultural wages in the rural sector. The linkage of record Aman production with industry and other sectors through buoyant rural demand will be adversely affected in the process, the same circles point out. The improved food availability this year will not then mean any improvement in the situation relating to access to food in terms of purchasing power.

Meanwhile, the internal foodgrain procurement operations for the aman crop began yesterday. Food Minister Major (ret'd) Iqbal Hossain Chowdhury formally launched the procurement operations at the local food godown at Bogra.

The price under internal foodgrain operations, on a voluntary basis, has been fixed at Taka 220 per maund of paddy (Taka 338.40 per maund of rice) this year, only up by Taka ten per maund in terms of paddy from the last year's level.

Last year, two lakh tons of aman paddy were purchased under the internal procurement drive. Available indications suggest that the target under internal foodgrain procurement for aman crop has been set at 2.5 lakh tons of rice. But this target is considered by the knowledgeable circles as too low in view of the prevailing price and production scenario in the foodcrop sector in the northern and other surplus-growing areas in the country. Internal foodgrain procurement during the aman harvesting period was at its peak at six lakh tons in 1980-81 and has averaged two lakh tons since then.

While a much higher procurement level than what has been targeted for the year is necessitated to extend effective price support to the growers. The available public storage capacity will however set a limit for the procurement.

The foodgrain stocks with the government now at over 1.2 million tons against the total available storage capacity in the public sector for foodgrains and other food items including sugar, salt, etc at 1.8 million tons indicate that there will not be enough room in the public godowns for much of any extensive procurement operations, befitting the present needs.

Some circles point out that foodgrain prices in the world markets are likely to remain stable at a lower level this year in view of bumper production in Asia's rice bowl. Every Asian rice-producing country is expecting now bountiful harvests, facilitated by kind weather and better farming methods. Foodgrain prices in the international markets are expected to register a downtrend in the months ahead, the same circles said.

### **Correspondent Writes on Visit to Chittagong Hills**

46001199 Dhaka *THE NEW NATION*  
in English 11, 13, 14 Nov 89

[Article by Kazi Montu: "Gradual Change in Attitude Towards Shanti Bahini"]

[11 Nov 89 pp 1, 8]

[Text] The special political arrangement for three districts of the Chittagong Hill Tracts (CHT) has paved the way for gradual change in the attitude of the tribal people towards the insurgents who have been carrying on armed struggle from their sanctuaries across the border.

The leaderships of Rangamati, Khagrachhari and Bandarban districts chosen by the people in the election to the hill district parishads held in last June under the new political arrangement granting a limited self-rule have put in their all-out efforts to isolate the insurgents from the tribal peoples gearing up developmental activities to improve their lot.

According to Khagrachhari hill district council Chairman Samiran Kumar Dewan, the people's rule has been established in the area after the June 25 election and now all decisions are taken by the people's representatives.

Talking to a group of journalists in his office on November 5 he said, "the rising consciousness among the tribal people against terrorism and violence by a handful of people is evident from the fact that acting on their information a number of action plans by the so-called Shanti Bahini were recently foiled by us."

He categorically accused India of keeping alive the tribal insurgency and refugee issues as political pressure on Bangladesh. He said the so-called Shanti Bahini had come into limelight with Indian support immediately after the political changeover on August 15, 1975.

"Our fight is mainly against India. The Shanti Bahini is not a factor. This is simply a matter of law and order. The root cause of disturbance in the area is India. Now it has created another issue—the Bangabhumi issue".

He said that already spontaneous support of the tribal people for the Shanti Bahini had been partially neutralized while those who were forced at gunpoint to assist the miscreants had been seeking protection against them. These peace-loving tribal people had appealed to the hill district councils for sheltering them in cluster villages so that the Shanti Bahini men could not take away their food and extort money, Samiran Dewan added.

It is learnt that the hill district parishads are planning to set up cluster villages for the tribal people who want to live in such villages. The objective underlying this scheme is to enable the peace-loving tribal peoples to protect themselves from the oppression by the armed Shanti Bahini activists.

Rangamati Hill District Council Chairman Gautam Dewan said that such a positive development in the political arena of the CHT had made the Shanti Bahini high command and its foreign mentors visibly desperate. He said that reports had been received about a design of its foreign mentors to take across the border one lakh tribal refugees.

He said that the sagging morale of the Shanti Bahini men in view of their increasing isolation from the people had been reflected in their changed strategy of actions aimed at provoking the security forces.

Gautam said that now-a-days they were profusely using explosives instead of firearms. But the local people were

providing them information about the movement of the Shanti Bahini activists and hence they no longer trusted the people.

In the eyes of Samiran Kumar Dewan and Gautam Dewan the special political arrangement is a great achievement for the tribal people of the CHT as it has put an end to settlement of plainsland people in the area. They held the Shanti Bahini responsible for settlement of over three lakh plainsland people in the CHT. This would not have taken place had the Shanti Bahini high command agreed to a proposal of late President Ziaur Rahman for negotiation to resolve the problem in 1979 Samiran Dewan told the journalists.

He said that as demanded by the tribal people this Government had recognized the CHT issue as political and took effective initiative to resolve it. But after six rounds of talks the Shanti Bahini refused to sit for its continuation. Initially they placed a demand for provincial autonomy, then it was revised as regional autonomy and finally they stepped aside from negotiation. In this situation we came forward and worked out a solution acceptable to all quarters, said the two hill district chairmen.

Twenty two subjects including the district police administration have been transferred to the three hill district councils. Khagrachhari Hill District Council has decided to take over these responsibilities in phases.

[13 Nov 89 pp 1,8]

[Article by Kazi Montu: "Growing Differences in Shanti Bahini"]

[Text] Shaila Prue Murma, 35, is facing threat to his life from the so-called Shanti Bahini waging armed struggle in the Chittagong Hill Tracts (CHT) for his recent surrender to the security forces. He is a member of Barmachhari Union Parishad under Lakshmichhari upazila of Khagrachhari district.

He was recruited by the Shanti Bahini in last July to carry on motivational campaign among his fellow villagers in favour of insurgents, instigate them not to abide by the law of the land and arrange shelter for the activists of the Shanti Bahini. He appeared in the SSC examination in 1976 but failed.

Shaila Murma was, however, soon disillusioned with the Shanti Bahini as he found their ideology and principles repugnant to the interest of the Murma tribe and the prospect of its success bleak. Then he deserted the Shanti Bahini and surrendered to the security forces on October 25.

Apprehending vengeance from the Shanti Bahini he fled his homestead along with his wife and five daughters and took shelter in a community centre adjacent to Dailyatali Primary School under protection of the security forces. He received 40 kg of foodgrains from the government. There are three other families including that of Aung Shue Chowdhury, Headmaster of the school in the community centre.

Binoy Kumar Chakma is another Shanti Bahini, dissident who laid down his SBBL gun to the security forces about three months ago. He is also living under protection of the security forces. The Khagrachhari Hill District Council has planned to help him set up a shop. Meanwhile, he has been provided a rickshaw to earn his livelihood.

Many activists of the Shanti Bahini belonging to the Murma tribe are reportedly agog to surrender but they have been kept under round-the-clock watch and arms are hardly given to them.

According to the current rehabilitation budget of the government, one Shanti Bahini deserter is provided 21 kg rice and Tk. 2,000 in cash for constructing house. Besides, he is assisted in his efforts to look for a permanent source of income. Others affected by the tribal insurgency are also rehabilitated with the assistance given by the hill district councils.

An estimate yet to be confirmed puts the total number of Shanti Bahini activists at 5,000 to 7,000. After election to three hill district councils on June 25 about 65 of them have so far surrendered while since the beginning of armed activities over 2,000 insurgents had surrendered. The successful holding of elections has already created differences in the Shanti Bahini on various issues, it is learnt from available reports.

The tribal leaders of hill district councils believe that the key figures of the Shanti Bahini who have taken up arms vowing to establish Marxist ideology will never return to normal life. On the other hand, many of them have vested interests in India, have their children study in Indian schools and are living in luxury and affluence. There is little possibility of them coming back to their homesteads.

Earlier, the Shanti Bahini forced about 29,000 tribals to cross the border and take refuge in camps in Tripura state of India. Out of them, over 8,500 people have already returned dodging the Shanti Bahini. And their number is swelling everyday.

After the hill district council election the Shanti Bahini killed 22 Bengali settlers and 22 tribals. Since 1980 to October, 1989, among the civilians killed were 148 tribals and 877 Bengali settlers while 366 Bengali settlers and 148 tribals were kidnaped and their bodies could not be traced out.

Developmental activities in the Chittagong Hill Tracts are going on in full swing under the special Five Year Plan that was taken up in 1983 with an outlay of Tk. 226 crore. Already a sum of Tk. 220 crore has been spent up while the time for completion of the remaining projects has been extended up to June, 1990.

Each hill district council is to receive Tk. 2 crore. Meanwhile, the government has allocated Tk. 1 crore to each of the three hill district councils. The Budget of Khagrachhari District Council has been estimated at Tk.

3.51 crore. The revenue budget amounting to Tk. 70.43 lakh approximately will be met by earnings from different local sources including fees and taxes.

[14 Nov 89 pp 1, 8]

[Article by Kazi Montu: "How Shantibahini Came Into Being"]

[Text] Shantibahini commemorated the sixth death anniversary of Manobendra Narayan Larma on November 10. Apprehending stepped up actions by the tribal insurgents in observance of the day the security forces were alerted across the length and breadth of three districts of the Chittagong Hill Tracts (CHT). Consequently, prevailing, peace in the area could not be disturbed.

Monabendra Larma was founder of Parbatya Chattagram Jana Samhati Samity (PCJSS), Rangamati Communist Party and their militant wing "Ganomukti Fouj" (people's liberation army) which has become publicly known as Shantibahini. The formation of PCJSS was culmination of rising political awareness among the tribal people with the economic and social changes since nineteenth century.

He was killed by the dissident group of Shantibahini led by Priti Kumar Chakma on November 10, 1983 at Kalyanpur camp of the Shanti-Bahini under Amarpur subdivisions in Tripura state of India. His eight lieutenants also died. They were Bikash Chakma, Shuvendu Chakma, Aparna Charan Chakma, Amar Kanti Chakma, Monimoy Dewan, Kalyanmoy Khisha, Saumitra Chakma and Arjun Tripura. The operation was carried out by a squad of eight of ten activists of the Priti group led by self-styled captain Eleen.

Prior the the formation of PCJSS there were isolated efforts to organise the tribal peoples under different banners. A student organisation "Hill Students Association" was brought into being underground in early 1957. Initially its central office was located in Chittagong as political activities were banned in the area under the 1900 regulation.

However, defying restrictions the office of the student body was shifted to Rangamati with the establishment of Rangamati College in the mid-sixties. According to a decision of the organisation, most of its front ranking leaders distributed themselves in the countryside and joined teaching profession with a view to establishing their leadership over the tribal societies.

In 1966, an underground political party of the hillmen known as Chittagong Hill Tracts Welfare Association was floated. The leaders of the organisation were subsequently divided into two groups—one group supporting peaceful movement and the other advocating armed struggle for the realisation of the rights of the tribes. There are 13 tribes in the CHT.

The leadership of the organisation eventually slipped into the hands of those who were advocating armed struggle. The votaries of peaceful movement gradually became inactive. It was dissolved in 1972 with the formation of PCJSS by its leaders. Steered by Manobendra Larma and his brother Jotindra Bodhi Priyo Larma alias Shantu Larma, the organisation began to operate in collaboration with the hill students association. M.N. Larma was then an elected member of parliament while Shantu Larma was headmaster of Dighinala High School.

The Rangamati Communist Party was formed as a secret body within the PCJSS by its Marxist leaders on May 16, 1972. The first ad-hoc committee was constituted with, among other, M.N. Larma, Shantu Larma, Jotindra Lal Tripura, Bhotosh Dewan, Amiya Sen Chakma and Kalai Madhav Chakma. The armed wing of PCJSS "Ganomukti Fouj" which is publicly known as Shantibahini was floated on January 7, 1973.

1973 and 1974 were years of recruitment of cadres for the Shantibahini. By November of 1975 commanders were appointed for six sectors, zones and sub-zones.

The first congress of Rangamati Communist Party was held in 1977. A young dynamic leader Priti Kumar Chakma was inducted in the new central committee of the party. Later he advocated dissolution of the communist party to appease the external mentors who were dissatisfied with the Marxist ideals of the top leaders of PCJSS. Factionalism then dominated the PCJSS and its two rival groups initiated armed confrontation on June 14, 1983. The flame of factionalism among the tribal insurgents claimed lives of M.N. Larma and eight others on November 10, 1983. Then his brother Jotindra Bodhi Priya Larma took over the leadership of PCJSS and its armed wing Shantibahini.

The Shantibahini inflicted its first strike against a group of reserve armed police in 1974 injuring a number of police personnel. It intensified armed activities since 1978.

Apart from the Gonomukti Fouj the PCJSS has a para military organisation known as Peoples Militia to maintain its mass line. It mainly carries on propaganda in favour of insurgency. Currently, the activists of both Ganomukti Fouj and so-called People's Militia are together known as Shantibahini and all publicity is conducted in the name of Shantibahini or PCJSS.

## INDIA

### Opposition Advised of Necessity of Common Program

46001189A Dhaka THE BANGLADESH OBSERVER  
in English 2 Dec 89 p 1

[Text] Mr Hamidul Huq Chowdhury advised the country's opposition political parties to adopt a common

programme acceptable to the people for establishing a government which will be answerable to the people.

He said those who want a change of the government must unite behind common programme and the existing government may resign only when there is a party with a programme which will take their place.

Following is the full text of the statement issued by Mr Hamidul Huq Choudhury, a veteran lawyer and a former Foreign Minister on Friday:

It is essential that all those who want a change of government should adopt a common programme. Unite behind a programme as will get the support of the people.

The existing government may resign when there is a party with a programme which will take their place. The opposition once united would have taken their first step to seek the people's support. The support will be confirmed when the people know about their policy.

In 1954, the people knew what they wanted and how to vote. But the politicians seeking the people's support had no economic programme. It is the politicians who failed, not the people.

The experience of 1954 and 1969 should not be forgotten. All parties are now separately demanding fair and free election, demanding the independence of the judiciary and demanding a government which will be answerable to the people and guided by the laws. They never want a government which is not unanswerable to them.

They want education, they want training to work for their emancipation from poverty, unemployment, and how to build their shelters with their own hands. But they want the government to help them with money raised from the people or is borrowed which they will have to pay. All these money raised from the people is to meet the needs of the people and those who spend it accountable to the people. Money thus raised must not be squandered. Will the politicians and rulers pay heed to the cause of the people?

Time is short but the work ahead is long.

## IRAN

### Government To Deal With Violations of Afghan Refugees

90010105D Tehran KEYHAN in Persian 13 Dec 89 p 2

[Text] Political Service—The interior minister declared that while the Islamic Republic of Iran vehemently supports the efforts of the oppressed Afghan nation, it will contain the turpitude, violations, and felonies committed by some Afghan nationals in our country which blemish the Afghan's own reputation.

According to a report by the Interior Ministry's Public Relations Office, Hojjat ol-Eslam Nuri, the interior minister, stated the above yesterday during a visit paid him by the council members of Afghanistan's nine-party confederation.

The interior minister said: Unfortunately despite the friendly interaction that prevails between the Islamic Republic and the Afghani migrants, certain corrupt elements tend to misuse our hospitality and try to spread corruption, vices and drugs, indulge in espionage, and traffic in Iran illegally without holding identity cards.

The interior minister warned that the Islamic Republic shall deal with such offenders by rejecting them or transferring them to concentration camps to contain their violations.

While reminding the visitors of the Islamic Republic of Iran's full respect for the people of Afghanistan, the minister said: Our country has been open to the Afghans, and they in turn have deemed the Islamic Republic of Iran as their best refuge. Thanking and appreciating the services of the Islamic Republic of Iran rendered for the Islamic Revolution of Afghanistan and for the Afghani fighters, the members of the Confederation Council demanded that the Afghani criminals and offenders in Iran be dealt with.

### **Besharati Discusses Prospects for Peace Agreement**

*90OL0201A Doha AL-RAYAH in Arabic 11 Dec 89 p 7*

[Interview with 'Ali Mohammad Besharati, deputy foreign minister of Iran, by al-'Azab al-Tayyib in Doha; first two paragraphs are AL-RAYAH introduction; date not given]

[Text] Mr. 'Ali Mohammad Besharati, Iranian deputy foreign minister, affirmed the depth of the relations between his country and Qatar, pointing to the fact that these relations were firmly and deeply rooted.

Mr. Besharati began his two-day visit to Doha last Saturday, and AL-RAYAH took advantage of his visit to the country to interview him on many issues. Herein follows the outcome of that interview.

To begin with I asked him about the purpose of his visit to Qatar.

[Besharati] On the basis of the deep relations between the two countries, there must be an exchange of delegations between them to confer and exchange views concerning recent events, international issues, and issues that are of common concern in the region.

[AL-RAYAH] What is the future of peace in the region in light of the shuttle tour made by the envoy of the United Nations Secretary General, Jan Eliason, between Baghdad and Tehran?

[Besharati] This tour resulted in an agreement to begin discussions in New York between the foreign ministries of Iran and Iraq in the presence and under the auspices of the United Nations Secretary General Perez de Cuellar. Yesterday morning, Sunday, Brother Dr. 'Ali Akbar Velayati, the Iranian foreign minister, left Tehran for New York to take part in these discussions. We hope that after more than 15 months since the ceasefire between Iraq and Iran, that Iraq will comply with Security Council Resolution Number 598, especially in applying its first article, which stipulates that the withdrawal of the forces of the two states to the international borders of each was to occur at the same time as the ceasefire. But Iraq has not yet complied and has not withdrawn from the Iranian territories which it occupies, an area of 2,400 square kilometers.

[AL-RAYAH] But do you expect on the basis of these efforts that steps towards concluding a peace agreement between Iraq and Iran will be expedited, for as observers say, the current state of no peace and no war warns of many dangers?

[Besharati] Like all the peoples of the region we sense the danger of this state of no peace and no war, and we share with these peoples their fear of this state. But at the same time we believe that it is incumbent upon the states of the region to acquaint themselves with the factors involved in achieving peace and establishing security in the region. We are trying hard to bring about these factors through the application of Security Council Resolution Number 598, especially since the international society knows well that when Iran agreed to this resolution it wanted to apply it since it was without prior conditions.

[AL-RAYAH] According to what has been published in some newspapers, Iraqi president Saddam Husayn recently proposed that a summit meeting be held between the leaders of Iraq and Iran. And according to what was also published, there is a Gulf state working as a go-between in this respect. What is your comment on that?

[Besharati] We recently proposed that there be a withdrawal of the forces of both Iraq and Iran to international borders to coincide with the exchange of prisoners of the two sides. This has been positively received internationally, and has the interest of the Security Council, but unfortunately Iraq has not accepted that proposal, which we ourselves believe to be reasonable, and to have a sound basis.

We in Iran are prepared to respond to any proposal from the states of the Cooperation Council of Arab Gulf states relating to strengthening and applying the treaty and agreement of 1975 concluded between Iraq and Iran, the application of Security Council Resolution Number 598, the withdrawal of Iraqi forces from Iranian territory, and the speeding up of the exchange of prisoners between the two sides.

[AL-RAYAH] But I was specifically asking about the proposal to hold a summit meeting between the leaders of the two countries.

[Besharati] If Iraq does not want to apply the Security Council Resolution, it must ask: What has the war achieved for it? Did it gain anything from it?

In view of these facts, we are eager to bring about peace and establish security in the region. I reiterate that we are prepared to respond to any effort made to put into effect the Security Council resolution and the 1975 agreement.

[AL-RAYAH] Your excellency, Iraq also accuses Iran of obstructing the application of the Security Council resolution, so why don't we break the cycle of accusations and concentrate on expediting the conclusion of a peace agreement between the two countries?

[Besharati] The question is not a matter of casting accusations, but what I said to you was an expression of our point of view, to which the United Nations Secretary General referred after the tour of his envoy Jan Eliason to the capitals of the two countries. We are not making accusations, but I say that we would like the first article of the Security Council resolution to be applied in full. It includes:

a) A ceasefire.

b) The withdrawal of the forces of the two countries to their respective international borders.

The first part (a) of the first article of the resolution has been put into effect, but not the second part (b), and we ask that its implementation be expedited. We also ask that the second article of the resolution be put into effect, which stipulates that the ceasefire be strengthened, then the third article, which stipulates the exchange of prisoners between the two sides.

[AL-RAYAH] Your excellency, it has been published that the Sultanate of Oman is making efforts to normalize relations between Iran and Saudi Arabia. What is the truth of the matter? And to what extent can there be normalization between you and Saudi Arabia?

[Besharati] Several times we have publicly stated that security in the Gulf region cannot be achieved without the participation of all states of the region. This has been our attitude since the start of the Islamic revolution. We fully realize that it is natural that Saudi Arabia should have a role to play and an impact on achieving peace in the region, but unfortunately Saudi Arabia ventured to sever diplomatic relations with Iran.

And in any case, Saudi Arabia is capable of laying the groundwork in this respect. The Republic of Iran, in striving to achieve peace and establish stability, accepts any proposal that would help that. We believe that when peace is attained in the region, it will be natural for the normalization of relations between the states of the region to be achieved.

We always extend the hand of friendship to all states of the region. We are for peace, and we spare no effort in achieving it and consolidating it, for the war between Iraq and Iran affected the entire region, especially from the economic standpoint, and it was not possible for any state in the region to be removed from the effects of this war.

I would like to mention something here, namely that Iraq's embarking on rebuilding al-Basrah and al-Faw was based on its confidence that Iran did not want to make war.

[AL-RAYAH] Your excellency, regarding the problem of the hostages in Lebanon: where does that stand now? I have read that contacts are now going on to solve it by the end of this year in exchange for the American government's unfreezing the Iranian assets that it has. What is your comment?

[Besharati] We oppose and reject any form of terrorism from any side and any power, and that includes the taking of hostages. But what is irritating is that you (by which he meant journalists and newsmen) always ask about the Western hostages in Lebanon, but you do not ask about the terrorism which is practiced by the Zionist enemy supported by the United States against this Lebanese Muslim people, which daily is subject to continuous acts of aggression by it. But in any case we have advised our friends in Lebanon to stop their actions pertaining to the taking of hostages in Lebanon. But the problem is that whenever the climate is right for the release of hostages, opposing acts occur which spoil this climate. When things were ripe for a solution to the hostage problem, Israel with the support of America had the nerve to kidnap Shaykh 'Abd-al-Karim 'Ubayd in South Lebanon, and that is what led to the failure of all the efforts which had been made to free the hostages.

For our part, as I have mentioned, based on a moral standpoint, we have told our friends not to carry out these acts. In any case, the solution to this problem will only come about through international determination and will.

[AL-RAYAH] Finally, I had to ask the Iranian official about what is repeatedly said about the existence of a power struggle following the passing of Imam al-Khomeini, the spiritual guide of the Islamic revolution.

[Besharati] After war ended, our efforts became centered on the process of rebuilding in all fields. We are making intensive efforts in the economic rebuilding of Iran, and we thank God that the war has ended without Iran being in debt to any country in the world.

With regard to your question, my response simply is that everything that is said about there being disputes over power between hard-liners and moderates comes from Western propaganda that opposes the Islamic revolution. That is all there is to it.

The interview ended before it could get to other issues, because the time factor prevented them from being brought up with the Iranian official.

**Trade With USSR Begins Through Port of Nowshahr***90OI0105H Tehran KEYHAN in Persian 12 Dec 89 p 2*

[Text] Sari—KEYHAN Correspondent—Trading of needed goods between Iran and the USSR began from Mazandaran to Soviet Armenia and vice versa.

This was announced by Ehsani, deputy for non-petroleum exports of Mazandaran's general department of commerce. He said: The imports of the needed goods includes backgammon board, travertin, construction glasses, varieties of fertilizers and agricultural pesticides, agriculture machineries, certain domestic products and utensils, cement, varieties of sheets and pipes.

He added: Exports include varieties of products manufactured by the factories of Mazandaran, among them skin clothing of the Khazar Khaz factory, cotton lint, varieties of the province's handicrafts and textiles. He pointed out: The entire bulk of exports and imports will be carried out through the port of Nowshahr.

**Heavy Rainfalls Reported in North, South***90OI0105G Tehran KEYHAN in Persian 12 Dec 89 p 2*

[Text] Asara—KEYHAN correspondent—The downpour of snow on the Karaj-Chalus roads which began last midnight still continues (9:00 AM).

Snowing embraces Asara to Vali-Abad and is more than 10 centimeters thick in the area covering Gachsar to the Zanguleh bridge. Agents of the Gachsar Roads Department have cleared and salinated the surface of the road using snow ploughing machines. The road is currently open and traffic goes on. Morsheddin Kandari, deputy of the Gachsar Roads Department, asked drivers intending to commute on this stretch to definitely carry chains and other means of safety with themselves.

**Bushehr—KEYHAN's correspondent:**

A heavy rainfall has begun in the province of Bushehr since last night. Due to the downpour of rain many of Bushehr's streets are flooded with rain water, producing traffic constraints.

According to our reporter, in parts of the city floodwater, having soared to the level of vehicle fenders, has brought the traffic to a halt.

Currently rain continues to fall heavily in this province and up to the time of dispatching this report (before noon of today), there have been no reports on flooding or probable human or material casualties from the province's other towns.

**Heavy Rains May Cause Flooding in Several Provinces***90OI0105F Tehran KEYHAN in Persian 12 Dec 89 p 2*

[Text] According to forecasts by the Meteorological Organization, there was a noticeable change today in the west and northwest of Iran the amplitudes of which penetrated the central regions, namely Tehran.

Today (11 AM) Tehran's weather is cloudy and disposed to rain. In an announcement the National Meteorological Organization forecasts the country's weather for the next 48 hours, based on which there is a likelihood of heavy downpours and flooding in the provinces of Hormozegan, Khuzestan, Bushehr, Fars, Kohkiluyeh and Boyer Ahmad.

The Meteorological Organization's announcement is as follows:

In view of the settling of a low pressure center in the eastern regions of the Mediterranean Sea and on Iraqi territory, as well as yet another low pressure center that has settled over Saudi Arabia and their penetration into Iranian territory, it is predicted that as of 21/9/68 [12 December 1989] (today) up to the next 48 hours the weather will be cloudy with rainfall during certain hours in the western, northwestern, southwestern, central regions, Fars, Lorestan, Esfahan, Tehran, Bushehr, Hormozegan, and in colder and higher altitudes cloudiness will be accompanied by snow. In the meantime the downpour of relatively heavy rain and flooding is likely in the provinces of Hormozegan, Khuzestan, Bushehr, Fars, Kohkiluyeh and Boyer-Ahmad.

Also the system will move gradually to the east and the northeast. Based on meteorological forecasts today's heat shall reach to a maximum of 11 centigrades above zero and to a minimum of five degrees above zero.

**Unlimited Foreign Currency Allocation to Production Units***90OI0105C Tehran KEYHAN in Persian 13 Dec 89 p 3*

[Text] Ilam—KEYHAN correspondent—An increase in industrial exports, during the nation's five-year plan, is attainable with coordination and dexterity and it may form the basis of our industrial independence.

Mohammad Reza Ne'matzadeh, the minister of industries, raising this issue during a two-day summit of workers and general managers of the nation's industries held in Ilam, stressed that special attention should be paid to the disadvantaged regions and emphasized the need for developing industries and creating employment within them. He added: The plan for allocating unlimited competitive foreign currency to all national production units shall increase the output capacity of all national industries to more than 90 percent. He conceded the declared economic move by the government and by the Majles is to preserve the values of the Revolution and the system of the Islamic Republic and added: By continuing to struggle within the economic

dimension, we should help the needy countries of the Third World while resolving our own economic hardships.

The minister of industries stressed the delegation of certain powers of the Ministry to the General Industries Departments of the provinces, decreasing red tape and redundant procedures, creating confidence in the area of recruiting the creativity, capabilities, and managerial skills of the people. Recounting the deprivations and hardships of the self-sacrificing and resisting residents of Ilam province during the eight years of imposed war, he said: In spite of its current economic bereavements in the area of forestry, water, and animal husbandry, this province enjoys considerable potential capabilities, and its resorting to agriculture-oriented industries as well as to industries-related to agriculture and the revival of technical vocations are considered major steps towards creating employment and the removal of the joblessness constraint throughout the province.

Mentioning the important plans at hand—namely the construction of Ilam airport—as well as the existence of vast oil and gas resources in Ilam province, he cited implementing useful agriculture and industrial projects as the sole means of preventing the irregular migration of farmers to the province's cities.

#### **Hospitals, Clinics To Be Constructed in Various Cities**

*90OI0105E Tehran KEYHAN in Persian 13 Dec 89 p 2*

[Text]

#### **Ten General and Special Hospitals and 11 Clinics Are To Be Constructed in Various Cities**

The spokesman of the Health Ministry's public relations department declaring the above added: During the recent meeting of the Legal Commission for discerning the medical affairs of the ministry, it was agreed in principle to construct a women's hospital, a heart hospital, and two general hospitals in Tehran, six general hospitals in the cities of Karaj, Shahrud, Shahr-e Kord, Ahvaz, Arak, and Zanjan, nine private and charity clinics in Tehran, Karaj, Mashhad, Ghazvin, and Tabriz, a round-the-clock dental clinic in Tehran, and a physiotherapy center in Esfahan. Also during the same session the competency of the technical managers of three charity clinics in Qom, Mashhad, and Tehran was confirmed, and in this way these facilities officially commenced their operations.

### **PAKISTAN**

#### **Center-Punjab Confrontation Said To Cost Millions of Rupees**

*90OI0108A Lahore NAWA-I-WAQT in Urdu 11 Dec 89 p 10*

[Editorial]

[Text] According to an experimental report, the loss incurred due to confrontation between the Center and

Punjab amounted to 65 hundred million rupees. Smuggling and hoarding were encouraged and industrial projects valued at 10 hundred million rupees were transferred from Punjab. One one hand, the confrontation between the Center and Punjab has damaged the democratic process, and the element of tension and clashes in politics have assumed an air of personal enmity. On the other hand, it has also made our society and economic sector far from secure. As a result personal ledger accounts, the provincial development program, the workers welfare fund, the people's program, implementation of industrial policy, privileges to Chunian industrial estate, construction of the Kala Bagh Dam, and other similar procedures have become controversial issues, and many public welfare and national construction and development projects have been frozen.

Pakistan, because of the lack of political stability, is still a developing country and the majority of its people are living well below the established world standard of poverty. The literacy rate is 26 percent. Eighty percent of the population are deprived of pure drinking water, physical hygiene, and cleanliness facilities. Also, the graphic scale of industrial development does not rise to satisfactory levels. Every child in the country is burdened with debt. Drugs, unemployment, and other similar problems are making the future of the young generation bleak and doubtful. Despite the fact that 42 years have passed since Pakistan came into being, we do not as yet have a stable political system. After every four or five years, we fear the recurrence of martial law. Under these conditions, the difficulties that our society is liable to face can easily be apprehended by every intelligent and patriotic Pakistani. But it is our misfortune that the people in power, in both the province and the center, do not realize that their confrontations are making conditions deteriorate still further, and that every project connected with economic construction and development is being frozen, and the social conditions in the country are being reversed.

Everyone knows that construction of the Kala Bagh Dam project will benefit not only Punjab, but that all four provinces in the country stand to benefit from it. In the next few days electric load shedding will begin, and this will continue for the next six months. This will no doubt cause suffering to domestic consumers, but its effect will be felt much more in the agricultural and industrial sectors. One of the major reasons for the rising prices is load shedding. And with the decrease in the industrial output, unemployment is also on the increase. This can be seen from the young men seeking employment, holding their degrees in their hands. Only recently, during the convocation of the engineering university, the graduate architects gave vent to their feelings by saying they want employment not degrees. On more than one occasion, there have been indications that degree holders are involved in criminal activities in Sindh and Punjab. Construction of the Kala Bagh Dam will not only increase electricity production, it will also play a large role in the agricultural development of Punjab, the

country's largest province. But this project has also become a victim of the Center's confrontation with Punjab, and has been put into cold storage which is a great loss for the country.

The facilities and privileges announced for the Chunian Industrial Estate by the former government have apparently no political significance. Because of the worsening conditions in Sindh province, the only way was to stop the tendency to transfer capital from Sindh to develop the Chunian Industrial Estate, so that instead of looking for markets abroad, the people who did not wish to invest in Nuri Abad and Karachi, would invest in the Chunian Estate. This is what actually happened during the past one and a half to two years. The people did invest in Chunian Estate. However, the government, by withdrawing, has discouraged the people. As it is, foreigners are not ready to invest their capital in Pakistan. In the words of Christina Lamb, people investing capital in Pakistan under these circumstances are fools. If the trend of discouraging domestic investors continues, then they too will think of transferring their capital abroad, which is not very enviable.

Stopping the personal ledger account to punish the Punjab government is eventually increasing the difficulties of the people. Transferring projects worth some 10 hundred million rupees from Punjab will affect not only the people of Punjab but the whole country, because compared to Punjab the conditions in other provinces are not suitable for investing. The lack of infrastructure is also a big problem in itself. This situation has helped the black sheep in the bureaucracy. They are engaged in taking full advantage of the irregularities and mismanagement because no one has any time to ask questions. Similarly, the smugglers and hoarders also benefit from the situation. The shortage of wheat and sugar, and the rising prices in the country can also be traced to the same situation. Hoarders are also responsible for the scarcity of manure. The people were looking forward to a lot of things from democracy and the new democratic system, which they achieved after many years of a struggle they hoped would help better their lot. But within a period of one year rising prices, unemployment, unrest, electricity load shedding, and nervous tension have come down to us as a legacy of the nepotism and selfishness of the people holding the highest government positions which has destroyed their peace of mind and shaken their belief. The loss of 65 hundred million rupees to the nation amounts to paralysing its economy. The people in power should try to remedy the situation so that the people's faith in democracy may be further strengthened and their thoughts are prevented from going astray. If the people in power do not try to run the country properly, then elements whose interest are outside the country will be encouraged to perpetrate uncalled for interference. Such elements have been saying that as long as a people's government is not established in Pakistan, the people's problems cannot be resolved. The only way to salvation from all the ills and problems faced by the country at present is to make the democratic system successful by

holding free and fair elections every now and again, so that the nation may feel normal and the statesmen may be held accountable at regular intervals.

### Columnist Observes, Describes Zarb-e Momin

90OI0114A Karachi JANG in Urdu 17 Dec 89 p 3

[Article by Abdul Qadir Hasan entitled, "Four Days With Armed Men of Faith" under byline "Nonpolitical Subjects."]

[Text] The lofty eye of the public relations department of the Pakistan armed forces finally noticed an unimportant and humble journalist like me, and I was invited to witness the Zarb-e Momin [Stroke of the Faithful] maneuvers. If love for the Islamic role of a Muslim country's army had not been a tenet of my faith, I would not have accepted this invitation and consequently spent four days in windblown dry fields exposing my ailing eyes to the dust and dirt which clung to them like Kohl. However, in spite of certain improper behavior on the part of this department of the army, I boarded a bus in Lahore which broke down 12 miles from Sargodha. Obviously, the bus was not in a condition to make the journey. However, we did finally manage to reach Sargodha and were handed over to the Pakistan army which treated us as though we were precious gifts and even though the conditions around us were those of a battlefield, we were surrounded with comforts which cannot even be imagined on a field of battle and which none of us had expected. The program prepared for us by the Zarb-e Momin headquarters was so comprehensive that in four days we were shown every department of the army which is active in wartime.

Since there were a large number of journalists attending, it was decided that they could not receive individual attention if they were kept in one group. Hence, they were divided into two groups. Two railway cars were obtained from the railroad and each was sent in a different direction. I had never seen such clean cars in my life. We were told that army personnel had washed and scrubbed the cars for three days. Our car carried a staff of 95, including waiters and guards, and they were supervised by a major and a captain; but the only individuals visible were the waiters who were always waiting for our summoning bell. An officer told us that the rest of the personnel were kept inside. The schedule we followed was to get ready and leave the train at a certain station, spend the day in the field with the young men of Pakistan's army, then in the evening reach a station where the train would be waiting for us. We spent the night in the train which in the meantime would be heading for another railway station where it would stop and we would subsequently set out towards a different part of the war zone. Thus, we spent the nights at the Sargodha, Shorkot, Jhang, and Bhakar railway stations. The facilities inside the railroad cars were excellent and could even be called extraordinary. Our armed forces not only know how to fight but are also well versed in the fine art of hospitality.

Our information tour started with a briefing by General Gul Hamid, who has been much in the news lately and has thus become very well known. He used to be the chief of ISI [Inter-Services Intelligence] but was transferred to another post after the PPP [Pakistan People's Party] came into office. This good natured, complex-free general, who was also the chief umpire and second in command of the war games, explained the manoeuvres in detail to us as well as the objectives and the need for holding them. Reporters tried to lead him into topics other than the manoeuvres, but he replied that he had forgotten the past. Talking about the war games, he said in answer to a question that in a war, our real enemy could hold out for 120 days in Kashmir and 90 days within the country, whereas we could carry on a war for a much less period of time. Another general told us that nothing would be gained by a long war as evidenced by the Iran-Iraq war in which neither side had gained anything. The generals, officers, and soldiers of the Pakistan army gave us the clear impression that in a war, not just the hands but the arms of the enemy would be severed and it would be completely crushed. At one place we were looking at some weapons and, upon asking about them, a young soldier told us that formerly there was one such weapon for ten men, now there were ten weapons for ten men and they were all waiting for the enemy. As he said this, his voice underwent a significant change. This simulated war between the armies of Blue-land and Foxland is being fought without ammunition, but except for the fact that actual shots are not fired, all that happens in a war zone is happening here. More than two hundred thousand soldiers have landed on the battlefields. On the third day, when we were visiting the subterranean headquarters of General Alam Jan Mahsud, the commander in chief of the Foxland forces, we told him that the Bluelanders had made elaborate preparations and were planning to inflict a telling defeat upon him. The general laughed and said, "I will not go so far as to curse my brothers but let them come. I have a welcome prepared for them." His were the forces of the enemy of Blue-land (Pakistan). At the time that you will be reading this column, a fierce battle will be raging here, and our generals will have the opportunity for the first time of moving a large army with its new weapons on the field of battle and allowing it to display its war skills. Hakimullah Khan, air chief marshal of the air force, told us that he had asked his lads (pilots) to keep their eyes open since they may never have another opportunity to see such a large number of troops in action. The Pakistan army has received a large quantity of new weapons. After 1980, the armed forces received the arms they needed and Pakistani factories are also helping out to a great extent. Ninety percent of the ammunition is manufactured in Pakistan and some small and large weapons as well. In the next two or three years, we will have a large world class tank ready. Our soldiers cherish their weapons, and their zeal for guarding these weapons and keeping them in working order is boundless. I shall never forget a young major who showed us some rifles stored in a car. A journalist happened to remark that the rifles were outdated and may not be very useful. The young

major was as incensed at the remark as though he had been personally insulted and he was calmed down only with great difficulty. But to me his anger was so endearing and attractive that I do not have the words to describe his indignation. I felt in my heart that no one could defeat such a youth. Retired Colonel Ikramullah was with us and he explained to the major in military language that journalists were apt to say all manner of things. But the rifles were the young man's pride. How could he tolerate any jokes about them? Perhaps if he had had ammunition with him, we might not have returned.

A man of faith can fight without weapons too, but now he has the arms he needs and the edge of his sword is very sharp. His sword of faith stays in its scabbard with great difficulty. This army of ours has many tasks to accomplish and many scores to settle with our real enemy. The army has to prove to the nation as well that it is not sitting idly by while we scrimp and save to spend money on it. The army has also to wash away the stains of martial law. While the army is busy preparing for a land war, it is also risking life and limb on the highest battlefield in the world in Siachin. Referring to the war in Siachin, a captain said that soon it would be his turn to go there. Earlier, he was telling me about the unbearable hardships of this icy battlefield and about those friends of his who had seen action there and had been wounded or martyred; but when he talked of his turn to go there, his eyes began to shine. He remarked that it was said in the army now that he who had not been to Siachin had not been in the army. I remarked to an army man that I knew these were war games, but would they be as cheerful and playful on an actual field of battle? He replied that sorrow and happiness lost all menaon on the field of battle. There was only one obsession and that was to fight. The emotions of sorrow and joy awakened after the battle. The calm at the end of battle was a most cruel one.

In the brief period of four days, which started with General Hamid Gul and ended with General Aslam Beg, the army introduced itself to us and showed us how soldiers live on the battlefield, what hardships they suffer, what weapons they carry, and what the weapon is capable of doing. We saw what the soldiers, the officers, and the generals are like. In his concluding statement, General Mirza Aslam Beg told us, "We have given our political government the power, if it wishes to exercise it, of talking peace with the enemy from a position of strength. A nation which is weak invites aggression and strength preserves peace. We have seen what happened in Bangladesh, Nepal, Sri Lanka, and the Maldives." General Mirza Aslam Beg spoke in a soft but purposeful voice. He thanked the nation for the reception it had given his first briefing in September and recited the verse: The word of our friendship has spread all over town; you welcomed me as you would a sweet fragrance.

The general said that he expected this wave of acceptance to continue. He said, "The more we sweat over training and practice in peacetime, the more we will

benefit from it in wartime. We have showed you what your army can do; now you make the decision. History marches on. 1971 is now a part of history, when the nation had a defeated and demoralized army. We have rejuvenated our military spirit and you see before you now a strong and spirited army. Great efforts were made in the past 18 years to revive the army so that now it is a great army. We are at the height of military diplomacy. Our political government now possesses a strong weapon so that, if it so wishes, it can talk peace with the enemy from a position of strength. After years of work, we have succeeded in fashioning a new war strategy that suits our needs. We have a purely professional army. After long effort, we have created this army which it is my good fortune to be putting to the test today. We are quite ready for a limited and short war and we expect to gain our objective in a short war. A protracted war is useless. We are ready both for offense and defense. Formerly, we only prepared for defense but not so now. Whoever moves against us will have his face bloodied." In regard to India, the general said unreservedly that that country

was not ready for peace and the proof of this was to be seen in Siachin, where India had reneged on its word. General Aslam Beg's statements were neither apologetic nor conceited but the plain truth.

On the evening of the last day, we had a glimpse of the air force. The air chief marshal was present. He said that AWACS [Airborne Warning and Control System] were too expensive and we could not afford to purchase them, but that we had everything below that. He said, "We will keep the air safe for our land forces. If anyone tries a naval blockade, we will break that, and if anyone approaches by air we will destroy them in the air." The words of the commanders in chief of the land and air forces were full of confidence and an unshakable resolve. When we were on our way back, we received from the army's public relations department a beautifully printed program of the events of the last four days telling us where to go at what time, what to see, and other such directions. All of us applauded the promptness of this department of the army.

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